

JPRS 79578

3 December 1981

West Europe Report

No. 1864



FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

3 December 1981

WEST EUROPE REPORT

No. 1864

CONTENTS

THEATER FORCES

BELGIUM

- Poll Shows Majority Against TNF Stationing
(DE STANDAARD, 27 Oct 81)..... 1

NETHERLANDS

- Commentator Hits Demand for Scrapping of SS-20
(Herman Wigbold; HET VRIJE VOLK, 4 Nov 81)..... 2

TERRORISM

FRANCE

- Chemical, Biological, Nuclear Terrorism Foreseen
(Michel Schneider; LE MATIN, 22 Oct 81)..... 5

- 'Loups Noirs', Alsatian Extremists, Reactivate
(LE MONDE, 17 Oct 81)..... 7

Arrest for Bombing, by Bernard Lederer
Background; Policy; Membership, by Francis Laffon

- Briefs
Attacks in Corsica..... 10

ECONOMIC

DENMARK

- Four Automatic Cost-of-Living Raises Seen for 1982
(Frank Dahlgaard; BERLINGSKE TIDENDE, 19 Nov 81)..... 11

FRANCE

Marchais on PCF, CGT, Worker Role, Nationalizations, Renault (Georges Marchais; L HUMANITE, 26 Oct 81)	13
Decree Reorganizes Energy Section of Ministry of Industry (STAFFETTA QUOTIDIANA PETROLIFERA, 29 Oct 81)	22

GREECE

Businessmen Favor Government Change (K. Kalandzis; EPIKAIRA, 29 Oct-4 Nov 81)	24
Government Faces Pre-Electoral Economic Commitments (G. Katsonis; EPIKAIRA, 29 Oct-4 Nov 81)	26

NETHERLANDS

Government Issues Revised 1982 Budget Figures (NRC HANDELSBLAD, 16 Nov 81)	28
Text of Coalition Agreement on Economic Policy (NRC HANDELSBLAD, 5 Nov 81)	31

POLITICAL

DENMARK

Leftist Organ: New Election May Not Yield Economy Solution (Editorial; INFORMATION, 12 Nov 81)	34
Liberals, Conservatives Seen Benefiting From Glistrup Case (BERLINGSKE TIDENDE, 20 Nov 81)	36
Progressive MP's Expected to Bolt, by Lisbeth Knudsen Blocs Stable in Local Elections, by Michael Rastrup Smith Bank Chief's Statements Election Issue Paper Looks at Local, National Elections Liberal, Conservative Chairmen Optimistic	
Unemployment, Budget Becoming Leading Election Issues (BERLINGSKE TIDENDE, 20 Nov 81)	41
Economy Minister Defends Fund Scheme, by Ivar Norgaard Progressives' Tax Plan Seen Popular Communist Leader Comments Statement on Guest Workers Ends Candidacy Schleswig Party To Run Alone	

DENMARK/GREENLAND

Atassut Chairman: EC No Vote Would Increase U.S. Influence (Henrik Heie; INFORMATION, 6 Nov 81).....	44
---	----

FEDERAL REPUBLIC OF GERMANY

Peace Movement Seen as 'Grassroots' Democracy (DER TAGESSPIEGEL, 18 Oct 81).....	46
SPD, FDP Agreement on Economy Measures Seen as Compromise (Friedrich Karl Fromme; FRANKFURTER ALLGEMEINE, 29 Oct 81)....	49
Weak Points Behind Apparent Strength of Coalition Noted (Robert Leicht; SUEDEDEUTSCHE ZEITUNG, 23 Oct 81).....	51

FINLAND

Karjalainen Discusses Foreign Policy, Presidential Race (Ahti Karjalainen Interview; SUOMEN KUVALEHTI, 23 Oct 81).....	53
---	----

GREECE

Political Changes in Administrative Positions Planned (Nik. Emm. Simos; I KATHIMERINI, 1-2 Nov 81).....	59
KKE Post-Election Position Analyzed (Khristos Kyriazis; ANDI, 30 Oct 81).....	63

NETHERLANDS

D'66 Party Holds Congress, Elects New Chairman (NRC HANDELSBLAD, 16 Nov 81).....	65
New Cabinet, Areas of Possible Conflict Viewed (Marc Chavannes; NRC HANDELSBLAD, 11 Sep 81).....	67

SPAIN

PCE Policy Platform Approved at Party's 10th Congress (MUNDO OBRERO, 16-22 Oct 81).....	72
Thesis 1, International Policy Thesis 7, Spanish Communist Party	

UNITED KINGDOM

Poll Shows Increasing Support for SDP/Liberals (THE DAILY TELEGRAPH, 19 Nov 81).....	98
---	----

GENERAL

CYPRUS

Comments on Waldheim's Initiative Reported (Al. Konstantinidis; I SIMERINI, 18 Oct 81)	102
---	-----

GREECE

Greece's Ties With the West Analyzed (EPIKAIRA, 20 Oct 81)	104
---	-----

POLL SHOWS MAJORITY AGAINST TNF STATIONING

Brussels DE STANDAARD in Dutch 27 Oct 81 p 1

[Text] Sixty-nine and one-half percent of the Belgian people are opposed to stationing nuclear missiles in the country. So it appears from an opinion poll which IAO [Interuniversity Institute for Advice and Opinion Polling] conducted exclusively for DE STANDAARD, HET NIEUWSBLAD AND DE GENTENAAR. The rejection was also called unanimous because no significant differences were determined according to the age, profession, income, neighborhood and political preference of those polled.

The poll took place between 14 and 18 October, a good week before the peace demonstration in Brussels.

The question which was put to a representative sample of 1,621 Belgian voters read: "As a result of a NATO resolution, the government must make a decision this year about stationing nuclear missiles on Belgian territory. Are you very favorable, somewhat favorable, somewhat opposed, completely opposed or indifferent to the stationing. The answers are given below.

	Very Favorable	Somewhat Favorable	Somewhat Opposed	Completely Opposed	Indif- ferent	No Answer
Belgium	5.2	13.3	24.1	41.8	13.6	2.0
Brussels	13.0	13.5	15.7	43.0	11.7	3.1
Flanders	1.7	12.9	28.6	39.0	16.2	1.6
Wallonia	7.6	13.8	20.6	45.1	10.9	2.1

The 65.9 percentage of those opposed breaks down into 24.1 "somewhat opposed" and 41.8 "completely opposed." The "advocates" of "very favorable" and "somewhat favorable"--together got 18.5. "Indifferent" and "no answer" amounted to 15.6.

The IAO has ascertained that classification of those polled by age, profession, income, neighborhood and political preference does not indicate any appreciable differences. Parties appear to be more clearly defined than their potential voters.

COMMENTATOR HITS DEMAND FOR SCRAPPING OF SS-20

Rotterdam HET VRIJE VOLK in Dutch 4 Nov 81 p 4

[Article by Herman Wigbold: "Withdrawal of all SS-20 Missiles is an Absurd Demand"]

[Text] It is always questionable to admit that Brezhnev is right, but he is: The American demand that the Soviet Union must scrap all SS-20 missiles is absurd. The most absurd is that the Americans even want to demand that this also apply to the missiles which are aimed at China, as a condition for preventing the stationing of American missiles in Western Europe.

It is clear from this once again how dangerous it is that only the Americans negotiate and Western Europe does not sit at the negotiations table. Western Europe has nothing to do with the relations between Russia and China and NATO was not set up to protect China's interests. Russia sees China as an enemy, as China sees the Soviet Union as an enemy and consequently it is logical that the Soviet Union wants to defend its interests in the Far East. It is a subterfuge to say that the Soviet Union then is able to transfer the SS-20 missiles in Siberia to Europe. That is also true for American missiles, for the neutron bomb and for chemical weapons.

But even without that condition, the American demand is absurd. Therefore, it is necessary to again look at the history of the last 20 years.

Far Behind

Hundreds of Russian missiles have been aimed at Western Europe since 1963: SS-4 and SS-5 missiles. In those years the Soviet Union was far behind the United States. America had over 200 intercontinental missiles then, while Russia only had 20 SS-6 missiles. In fact, Russia then declared to the United States: If you start a war, we cannot destroy you, but the price will be the destruction of Western Europe. At the culminating point in 1967, the Institute for Strategic Studies counted 700 Soviet missiles, of which three-fourths were aimed at Western Europe and one-fourth, against China.

During all those years, the western European governments had not gotten very excited about that. They did not need to get very excited about it because they could depend on the United States and because Western Europe was not left alone without protection: There was the British and French nuclear force, there were the American F 111 bombers, there were the submarines assigned to NATO with Poseidon missiles, they were American submarines with missiles in the Arctic Ocean and the Mediterranean Sea.

During the negotiations at the beginning of the seventies between the Soviet Union and the United States about SALT I, the Russians tried to bring up the so-called Forward Based Systems--the bombers etc--plus the British and French nuclear force. The Russians probably did this with some hesitancy because the SS-4 and SS-5 missiles consequently would have to come up for discussion.

However it was the Americans who rejected this. They neither wanted to discuss the British and French nuclear force nor the Forward Based Systems and in 1974 both parties decided to drop the matter.

At about the same time, the Russians began to work on the SS-20 missile. They also had every reason to do so. The SS-4 and SS-5 missiles are considered the most obsolete existing. They are inaccurate and very unreliable. They are filled with liquid fuel which is very dangerous and in a number of cases probably will turn up in their own country after firing.

Replacement

The Russians did what the Americans had already done long ago. They had begun to replace their obsolete missiles at the beginning of the sixties. They replaced the intercontinental Titan missiles with the Minuteman, the obsolete Thor and Jupiter missiles with the Polaris missiles on atomic submarines. Why should the Americans be allowed to modernize their missiles and not the Russians?

Why should the Russians have to remove the SS-20 missiles, while the West leaves the British and French nuclear force, the Forward Based Systems and the atomic submarines in Western Europe fully intact? It would naturally be better if both parties would decide to reduce their nuclear force in Western Europe. That must be the second step. It now is a question of preventing the expansion of nuclear force.

There is a demand which can be made to the Soviet Union. It is that it not increase the number of nuclear warheads aimed at Western Europe with respect to the West, compared with a period before the appearance of the SS-20 missile. Stating it simply: If Russia had 600 SS-4 and SS-5 missiles in 1975, they can now get along with 200

SS-20 missiles because the first missiles only carry one nuclear bomb and the SS-20 missiles three, provided the West does not increase the number of nuclear warheads during that time.

I add that in itself it makes no difference whether the Soviet Union now has 400 or 600 nuclear warheads aimed at Western Europe. The Soviet Union can destroy Western Europe with 400 nuclear warheads, and with 600 nuclear warheads the West can wipe the Soviet Union off the face of the earth, even if the Soviet Union should make a surprise attack. The numbers game which both parties are playing so enthusiastically is, in fact, completely irrational. Enough is enough. But this would be a genuine proposal to reach a solution.

Other Matters

It is an illusion to think that the hawks who are in charge in the United States at the moment are ready for that. The Americans are concerned about quite other things than the protection of Western Europe. They want to outflank the Soviet Union by stationing new weapons in Western Europe, to be able to put the Soviet Union under pressure if a conflict with the Soviet Union threatens elsewhere in the world, and at the same time reduce their own risks by keeping the opportunity open to conduct a limited nuclear war in Western Europe.

All these matters are completely opposed to the interests of Western Europe.

Under the given circumstances there is only one way to protect Western Europe: To make the launching of American missiles impossible by all means. It is the only thing to which the Americans will yield.

8490

CS0: 3105/34

CHEMICAL, BIOLOGICAL, NUCLEAR TERRORISM FORESEEN

Paris LE MATIN in French 22 Oct 81 p 16

[Article by Michel Schneider, head of STRATEGIE ET DEFENSE--passages enclosed in slantlines printed in Italics]

[Text] This article by Michel Schneider was written before the antisemitic terrorist attack at Anvers which left two dead and 100 people wounded. Michel Schneider, in collaboration with the French Institute for the Study of Controversy, presented a report last February on the various aspects of contemporary terrorism. This project, carried out on behalf of the Foundation for National Defense Studies, approaches the problem of terrorism from a point of view that is both broad and disturbing.

One might speculate that in the years to come the threat of terrorism will take on new dimensions, both in terms of the number of people affected and the techniques used. Traditionally terrorism has consisted of kidnappings, hostage-taking and murders, and techniques such as hold-ups and destructive explosions have been used. In the future, whole segments of the population, and whole branches of the economy, could find themselves victimized by terrorist threats or actions. They would then no longer be police matters, but real affairs of state. Political blackmail would become qualitatively different by assuming a hitherto unknown dimension.

The traditional terrorist arsenal, as deployed by qualified "personnel," is already able to cause considerable damage to people and property. From that point of view the use of more sophisticated weapons for the individual, the use of one-man launchers for short-range surface-to-surface or surface-to-air missiles, and the use of military explosives constitute a major escalation, of course, but fall into the established pattern. The development of "white collar terrorism," making use of skilled and specially trained technicians, directed against data processing systems, telecommunications facilities, energy transport, offshore oil platforms, the manipulation of chemical and bacteriological, even nuclear weapons by these white collar terrorists, constitutes a qualitative change which it is important right now to take into consideration when thinking about what many would prefer to believe unthinkable.

The time when the threat of terrorists using chemical or bacteriological weapons could be dismissed is rapidly approaching an end. It is a real, formidable,

perfectly plausible threat, for it is within almost anybody's grasp. Chemical weapons, either in peacetime or during a crisis, could enable individual terrorists or terrorist bands of the "direct action" variety to perpetrate serious and irreversible misdeeds, sometimes so insidiously that the authorities might be disarmed for a fairly long time without any possibility of retaliation. Toxic chemicals can be manufactured fairly easily at home. The effects can be on a massive scale, affecting an entire population, or targeted with precision on a command post, a submarine team, a telecommunications station, etc.

Moreover, what it is fairly easy to do in the realm of toxic chemicals, with organic phosphorous, for example, it is even easier to do with certain toxins of biological origin: sprinkling /Salmonella/ Typhi stock or the bacilli of botulism, etc., for example, requires few materials, little working room, and only one very careful "technician of fortune." It is "the poor man's weapon." Among the German terrorists who were interrogated a year ago in Paris was a laboratory worker on whom were found documents having to do with the manufacture of bacterial cultures.

In 1976, a student at Princeton University in the United States, John Aristotle [sic] Philipps, drew the plans for a nuclear bomb only 50 cm in diameter and weighing 125 pounds. Philipps devoted 5 months to his report. His physics professor had simply pointed him to books that could be picked up by anyone. /"Any terrorist who has a basic understanding of physics could do the same,"/ he said. /"I wanted to draw attention to the question of the safeguarding of nuclear materials."/ In order to actually make Philipps' bomb, a terrorist would only have to steal 21 pounds of plutonium. So, with plastique and plutonium correctly put together, an adroit amateur could very well manufacture a frightening weapon.

Moreover, to what extent are nuclear arms really protected from theft by terrorist groups? Hardly at all, if certain exercises that have been carried out are any indication...Special forces maneuvers in France, as well as in the United States, Great Britain and the FRG, have shown that it is easy to penetrate into nuclear weapons storage sites, in spite of the guards, the barriers and the alarms. These maneuvers might obviously be duplicated some day by members of a bold and well-organized terrorist organization.

Finally, the technical obstacles to the use of nuclear devices would be reduced considerably if the terrorists could count on the help of a government which has reactors and facilities for producing plutonium or uranium-235.

Nuclear terrorism is thus on the horizon. Blackmail of this type will be extremely difficult to fight. A terrorist group could prove it is capable of carrying out a nuclear threat by exploding a device at sea or in a desert area. After such "proof," one can imagine the panic which would seize the population subjected to the nuclear blackmail. Any retaliatory strategy becomes futile when one cannot find a target against which to retaliate. Experience teaches that one successful blackmail leads to another and then another: a nuclear threat by extreme left groups or separatist groups would sooner or later be countered by similar threats from extreme right or nationalist groups.

In that regard, European countries are particularly vulnerable, even though one might think that such blackmail would first of all be directed against one or the other of the superpowers, because the terrorists might be tempted to overestimate their overall power to change some localized situation under pressure of blackmail of this sort. As far as terrorism goes, it is certain that the worst is yet to come.

'LOUPS NOIRS', ALSATIAN EXTREMISTS, REACTIVATE

Arrest for Bombing

Paris LE MONDE in French 17 Oct 81 p 28

[Article by Bernard Lederer--passages enclosed in slantlines printed in italics]

[Text] Mulhouse--Working in tandem on both sides of the French-German border, French and German police Wednesday 14 October questioned 13 people suspected of having participated in the two terrorist attacks against the Staufen memorial at Thann (Upper Rhine), a concrete Cross of Lorraine 12 meters high and weighing 325 tons. The monument, destroyed on 16 March, had been rebuilt, but was the victim of a new explosion on 20 September (LE MONDE of 18 March and 22 September). Each time, the attack was claimed by "an Alsatian commando group of the Loups Noires [lit. "Black Wolves"], (Elsassische Kampfgruppe schwarze Wolfe), which claimed to be /"fighting against French colonialism."/

The 13 persons were put under armed guard. They were Pierre Rieffel, 53, at whose home in Breitenbach (Lower Rhine) were found arms, munitions and explosives, and his companion Mrs Christine Dielenzeger, 25; Mr Ewald Jaschek, 58, a watch-maker from Saint-Louis (Upper Rhine) and his wife, Augustine; Mr Rene Woerly, 53, his wife Eugenia and their daughter Christa; Mr Jean-Paul Roesch, 51, a bus driver from Oberhausbergen (Lower Rhine); Mr Romain Schallhauser, 49, also a bus driver, from Marmontier (Lower Rhine); and Mr Henri Ballis, 65, of Colman (Lower Rhine).

The three Germans implicated in the affair are Mr Gerhardt Ratzel, 48, a fireworks-maker from Fribourg-en-Brisgau, his companion Mrs Renate Reinhard, 42, and Mr Dieter Faulhaber, 39, unemployed, of Sigmaringen.

It has already been established that these 13 people, whose cases have already started to come before examining magistrate Jean-Marie Bietiger in Mulhouse, had ties with the Alsatian autonomy movement and investigators are also not discounting the possibility that they may have been in league with the neo-Nazi movement of Karl-Heinz Hoffmann, a terrorist group responsible for a number of attacks, including the one in Munich in September 1980.

Background; Policy; Membership

Paris LE MATIN in French 17 Oct 81 p 17

[Article by Francis Laffon--passages enclosed in slantlines printed in italics]

[Text] Resurgence of a vast pro-German autonomy movement in Alsace? An isolated movement by a tiny group nostalgic for the Nazi era? Investigators are leaning more toward the second hypothesis, after the arrest of the Loups Noirs (see yesterday's LE MATIN). That underground commando group had among other things twice bombed the Staufen memorial, that symbol of Alsatian resistance to Hitlerism located at Thann (Upper Rhine). Five people were given preliminary hearings yesterday at Mulhouse. Most of them were to be charged that afternoon.

The signature of the "Schwarze Wolfe" (Loups Noirs, in German) appeared for the first time in 1979. During the night of 9-10 October, the Turen monument at Turckheim (Upper Rhine) was damaged by two violent explosions. That obelisk, 15 meters in height, commemorated the liberation of Turckheim by the Allies in 1945. On 11 December, Alsatian newspapers and the prefect of Lower Rhine received a letter written in German and French and initialed by the Alsatian commando unit of the Loups Noirs, whose insignia in German is "EKSW." /"This is the first warning,"/ said the missive, which claimed responsibility for the attack and among other things denounced /"Parisian colonialists."/

The Turckheim action has now been covered by the recent amnesty legislation, as was the fire which in 1976 destroyed the Deportation Museum at Struthof, once a concentration camp in Lower Rhine. Rebuilt, the museum was sacked in January 1979, and those two incidents have never been claimed. The Loups Noirs were apprehended for two more recent actions directed against the Staufen memorial at Thann. An immense Cross of Lorraine, surrounded by pines and overlooking the Alsatian plain, this 325-ton monument was dedicated on 10 July 1949 by General Koening on behalf of the government, in the presence of Gaston Monerville, president of the council of the republic. It was General De Gaulle who laid the first stone of that edifice, which immortalized the heroic deeds of the Alsatian resistance against the German occupation between 1940 and 1945. On 16 March 1981 the cross was brought down by a bomb.

At the scene of the crime was found a letter signed "EKSW" which proclaimed: /"The now destroyed concrete monument was erected by French colonizers to perpetuate hatred against the German nation. We demand German be taught in all our classes. Our province and our language should be ours alone as Alsations."/ Two days later, five mayors in the region received a warning:

/"We will not remain inactive if you act against us."/ The message urged them /"not to copulate with the central government in Paris."/ The destruction of the memorial aroused very deep indignation in the region. A collection taken up from the local population netted Fr 235,000 in only a few days. That money contributed to building a new cross...destroyed in turn in September. At the scene of the crime, two inscriptions were found reading /"Schwarze Wolfe EKSM."/

The investigation by the regional division of the judicial police seemed to be making progress with the arrest a few days later of four persons linked to the autonomy movement. But they were cleared the following day. The real perpetrators were apprehended Wednesday.

Among the dozen people questioned was a septuagenarian who was peacefully vacationing in the Maritime Alps. A search warrant for his house in Colmar yielded the typewriter that was used to type the commando unit's prose. Most importantly, the investigation led to the discovery of the fireworks-makers. They were professionals, as early clues had indicated. A 58-year-old watchmaker, Ewald Jascheck, whose wife was also indicted, had prepared the timers. Arms and explosives were found in the homes of Rene Woerly, a heating installation man from Albe (Lower Rhine) and Pierre Riffel, 53, a former distiller, also from Lower Rhine. The group also included...a dealer in industrial explosives, whose business is located in Freiburg, FRG, a few kilometers from the Franco-German border. Besides that expert, 58-year-old Gerhard Ratzel, two other West German nationals were examined and then released /"for lack of evidence,"/ according to sources in Stuttgart.

During the initial questioning, they first refused to be interrogated in French and reportedly declared that they were /"against the Jews, against the Blacks and against French colonialism."/ Riffel, Woerly and Jascheck were members of MRAL, the Regionalist Movement of Alsace-Lorraine. That very rightwing fringe group of the Alsatian autonomy movement gained notoriety from the violently racist writings published in its review ELSA, which were attacked in court by the League of Human Rights and the Movement Against Racism and Antisemitism and For Peace. The MRAL decided to dissolve itself in 1976. Later, the three helped found the Alsace-Lorraine Rally (RAC) whose merger with the rightist youth movement, Alsace (said to be closely tied to the National Front), gave birth to the MPA (Alsatian People's Movement). Last February, the three men were expelled because of their pan-Germanism and extremism. MPA leaders publicly disavowed the terrorists after the attacks on Staufien. Despite the position it has taken, the whole Alsatian autonomy movement has been tarnished by this incident, even if the Loups Noirs appear to be nothing more than /"a tiny group living in the past."/

9516

CSO: 3100/91

TERRORISM

FRANCE

BRIEFS

ATTACKS IN CORSICA--Three terrorist bombs were set off yesterday at 1:30 a.m., hitting the headquarters of the National Corsican-Mediterranean Company, the law courts and the business office of Air France at Ajaccio. In all three cases, explosive charges weighing an estimated 50 grams and placed at the front door of the premises caused minor property damage. No individual or group has claimed responsibility for the attacks. [Text] [Paris LE MATIN in French 23 Sep 81 p 12] 9516

CSO: 3100/91

FOUR AUTOMATIC COST-OF-LIVING RAISES SEEN FOR 1982

Copenhagen BERLINGSKE TIDENDE in Danish 19 Nov 81 pt III p 1

[Article by Frank Dahlgaard]

[Text] Prices continue to rise after the cost-of-living adjustments in the fall. Inflation is not expected to go below 10 percent.

Two cost-of-living raises are sure to fall due in January and unless something is done another two adjustment raises could come in July 1982.

Living Costs Up 12 Percent

This is clear in the wake of the publication yesterday of the monthly price index for October, 117.3, by the Danish Bureau of Statistics. That is an increase of 1.1 points compared to September, corresponding to an annual inflation rate of a good 12 percent.

At the same time the Danish Bureau of Statistics released figures showing that Danish consumer price increases are now uncomfortably high in relation to the situation in other western lands:

In the last 12 months living costs in this country have risen 12.0 percent. Only countries like Norway, France, Italy, Ireland, Portugal, Spain, Canada and Iceland had a higher inflation in that period than we did. But price increases were weaker in Sweden, Finland, England, the United States, Holland, Belgium, Switzerland, West Germany, Austria and Japan.

Just three-quarters of a year ago Denmark was much better situated in the international inflation race (where the important thing is to come up with the lowest price hikes).

Sizable Jump from October

The sizable jump in prices in October comes after a little larger price hike in September--obviously caused by the two cost-of-living increments just paid in that month. The Danish Bureau of Statistics revealed that the latest price hikes

concerned food products to a large extent but that the price increases have also affected a very large number of other product groups.

Prices would actually have to go the other way in the months ahead in order to avoid the release of two more cost-of-living increments. Each increment is for 90 ore more an hour or 156 kroner a month. The two increments will be paid out starting in March 1982 unless the government following the Folketing election intervenes in present contracts.

Inflation Threatening

With no intervention everything suggests that another two increments will be released with the July 1982 price figure. All this would take is an average inflation of 10 percent in the next 9 months.

The Danish Bureau of Statistics also presented figures showing that hourly wages for industrial workers rose 9 percent from September 1980 to September 1981, with wages for salaried personnel rising 11 percent in the same period. Living costs have risen 12 percent in the period meaning that real wages declined.

6578

CSO: 3106/23

MARCHAIS ON PCF, CGT, WORKER ROLE, NATIONALIZATIONS, RENAULT

Paris L'HUMANITE in French 26 Oct 81 p 6

[Speech by Georges Marchais at Renault-Billancourt, 23 Oct 81]

[Excerpts] Speaking before militants in industry, the PCF secretary general emphasizes the importance of the battle for the nationalizations.

Last year--almost a year ago to the day--I launched my campaign as the Communist candidate in the presidential race in a speech to the men and women who work at Renault-Billancourt. Today, once again at Billancourt, I am speaking before the communists of Renault, for the first time since the publication of the proposed resolution for our 24th Congress.

You will all realize this is no accident.

Renault really occupies a special position in the life of our country and in the struggle of our people.

First of all, Renault is a national industry which owes its dynamism and industrial success to an experienced working class which proves its know-how every day, its capacity to work with the most modern of advanced technologies.

Renault is also a collection of great factories where tens of thousands of workers come together in all their diversity: French and immigrants, specialized and skilled workers, technicians, engineers, white-collar workers, employees.

And Renault, finally, is an exceptional experiment in class struggle. It is a powerful CGT [General Confederation of Labor], solidly established, combative and responsible. It is an important and dynamic arm of communism. Its capacity for serious struggle has often put its workers at the cutting edge of progress toward many social victories, and this same capacity now puts them in the forefront of the demand for a new social utility, an economic efficiency which is no longer built on the exploitation of individuals.

In short, at Renault people are in an especially good position to understand why, in every domain, industrial life today is at the very core of the nation's life.

Win the Battle in Industry

In the proposed resolution which the Central Committee has just submitted for discussion to all communists in preparation for the 24th Congress, we say, and I quote: "Carrying the battle to industry, and winning it, must be the number one objective of the whole party." This applies to each and every communist, whether he is a member of an industrial cell or a militant in a local cell.

There are several reasons for this.

The first is that industry is the ultimate battlefield of the class struggle. This is where it is decided whose system will prevail: that of the workers, who bring improvement and development to France, or that of capital, which tears down and lays off people entirely on the basis of profit. This is where the choice is made whether to use the most advanced machinery to alleviate the suffering of people and increase production, or to use it to rivet the workers to their jobs, to make them automatons or lay them off. This is where it is most difficult for democracy to penetrate, while the employers, who all too often still act like absolute monarchs, try to decide everything and make millions of responsible men and women docile and silent subjects. This, in a word, is where the central contradiction of our society is expressed most clearly and forcefully: the contradiction between exploiting capital and the working class, in the work environment.

This is the first reason--and one which goes to the very nature of the capitalist system--why our party has given such importance to the work of communists in industry.

There is a second, which relates to the changes which have stamped recent decades in our country: the industries have a totally different impact on the nation's life today than they did 20 years ago.

First of all, the wage-earning class has grown considerably. Today, 4 out of every 5 occupationally active people are wage-earners. And within that group one must note the growing proportion of women. Some 18 million people confronted with the realities of industry, whether in large or small plants. Thus millions of men and women have witnessed their living and working conditions approach those of the working class, to varying degrees. They have begun to experience the ills of capitalist exploitation, to bear the brunt of the crisis.

These profound changes in our society have naturally had repercussions on the working class itself. Employers have resorted to new forms of exploitation along with skilled workers, they have developed the category of specialized workers, they have increasingly resorted to immigration, they have created new forms of untenured, unguaranteed labor. At the same time, the apparatus of production has been substantially modified. Scientific and technological progress, which the employers could not impede, has accentuated the social nature of production and significantly enhanced the skill level of the labor force. The majority of technicians, employees and even some engineers themselves, increasingly integrated into what we call a real "collective labor force," are today an integral part of the working class, which in its true dimensions represents by itself close to half the occupationally active population.

All these changes put together have thus strengthened the historic role of the working class and given industry, as the pre-eminent battlefield of the class struggle, primary importance. All the political forces in the country have understood this basic fact about the current situation, and they are trying to turn it to their advantage. This is especially true of the employers, who within industry are waging an intense political and ideological battle at colossal expense.

How, under these conditions, could the party of the working class fail to see all the consequences this must have for its own activities and at all costs acquire the means to assume its new responsibilities?

Every communist must realize: it is in industry, and nowhere else, that the battle to meet the expectations of the country and succeed in the work of renewal we have undertaken, will achieve final victory.

Government: Positive Steps

From this point of view, where are we now?

Naturally it would be premature, after only 5 months, to claim it is already possible to make a final judgment on the government's measures.

All the same, a whole set of positive steps are already under way.

This is true at the social level, with among other things the increase in the interoccupational minimum growth wage and various social allowances, the reduction of the work-week, earlier retirement and the creation of public sector jobs.

It is true in economic and financial terms, with the nationalizations, the tax on wealth and the freezing of certain prices.

It is true in terms of democratization, with the proposed decentralization and definition of new rights for workers in industry.

These measures are unquestionably pointing in the right direction, one which will ease the lot of working men and women, which will begin to resolve the country's serious problems. Now you know very well that this and only this is the standard we as communists set in every circumstance: serving the interests of the nation's workers to the best of our ability. This is why we are faithfully making our positive contribution to the process of change that has begun.

This is what our ministers are doing by maintaining, as our proposed resolution says, "unbroken solidarity in carrying out the commitments we jointly made with the Socialist Party [PS]."

This is what our legislators, as full-fledged members of the new majority, are doing. Thus, when the government decided to exempt working-class families at the lowest income levels from taxation, it was the result of a proposal by the communist deputies. It was following the demand I made at the National Assembly, to give joint production committees the right to stay any closing pending appeal, that the president of the republic, at a press conference, announced a positive step in this direction. And you who work at Renault know very well that communist deputies were

responsible for the extension of the amnesty law to workers who are victims of repression, which led to the re-hiring here of our comrade, Michel Certano.

It is, finally, in that same spirit of determination to contribute as effectively as possible to the solving of the serious problems of our people and our country are facing, that communist militants are taking action wherever they may be, as you, here at Renault, are also doing.

The Nationalization Legislation

Now we know very well that these serious problems--unemployment, inflation, harsh working conditions--continue to exist, and they weigh heavily on the workers. The economic crisis in our society continues to make its effects harshly felt. And we cannot escape this crisis without far-reaching reforms attacking the fundamental cause: the domination of capital.

Speaking here at Renault about far-reaching reform, we are of course leading up to the basic problem of nationalizations.

As we know, the debate over the proposed legislation to nationalize Thomson, Pechiney-Ugine-Kuhlmann, CGE [French Electric Company], Rhone-Poulenc and Saint-Gobain-Pont-a-Mousson, major banks and the Suez and Paribas finance companies has entered its final phase. Moreover, the first steps have been taken in the steel industry, Dassault and Matra. Finally, the nationalization of the other three industrial groups with special ties to foreign groups should come soon.

Naturally, we are profoundly joyful to see these advances. Especially since we see them as the result of our own proposals, our own struggles. Who does not remember the struggles we waged for nationalization of the steel industry, the strategic subsidiaries like Thomson-CSF, for unity of groups, for the participation of worker representatives on boards of directors--all of these proposals that are included in the new legislation? Besides, one can see, simply from the ferociousness with which big business and the Right have fought the nationalizations and continue to fight them, the historic importance of the upcoming vote.

Proposed Measures Against Financial Scheming

In that regard, I want to lay special stress here on the extreme seriousness of the scheme which have been mounted by the directors and shareholders of Paribas. While the articles of the nationalization legislation concerning banks and financial companies like Paribas were being adopted, financial schemes coming out of one of its Swiss subsidiaries have resulted in 10 percent of the wealth of the financial company escaping nationalization.

This operation proves that the employers are determined to do everything possible to try to sabotage the nationalizations decided upon by the representatives of the nation. At the same time it shows how the procedural maneuvering by the Right in Parliament has in reality no other aim but to buy big capital the time to weave financial schemes of this kind to the detriment of the national interest.

This being so, one can only congratulate the prime minister for his statement, referring to the behavior of the aristocrats who emigrated to Coblenz during the

Revolution of 1789, that Mr Moussa, the president and general manager of Paribas, was behaving "like an emigrant."

Under these conditions, considering the gravity of the affair and the urgency of the measures that must be taken, I make the following proposals in the name of the PCF:

First, I propose that a parliamentary investigative committee be created immediately to unravel all the details of this operation and identify all those responsible. At the same time, I propose that new oversight rights be given to the labor organizations so that this type of operation cannot be carried out elsewhere. This is particularly indispensable due to the fact that Mr Moussa, the principal architect, sits on the board of directors of several other nationalizable companies and, without prejudging anyone's intentions, it is unlikely that he is the only party to such connivings to be found in the realm of big capital.

Second, I propose that the indemnification of the Paribas shareholders be reconsidered to take into account this decision which flew in the face of the nationalizations. I propose the same be done with the question of retrocession of industrial assets.

Third, I propose that a governmental mission be dispatched to foreign governments--especially Switzerland, Luxembourg and Belgium--to obtain their commitment to take the measures necessary to stop these maneuverings inimical to the interests of France.

Financial maneuverings to evade the law are not the only way in which the employers and the Right are struggling against the nationalizations. We are already seeing the argument advanced that, whether nationalized or not, it is going to be necessary to export capital, to increase prices, to put pressure on wages and working conditions. The employers have only one aim: profits. And they will do whatever they can to perpetuate its rule, even in the public and nationalized sector, both the old and the new.

To yield to these pressures would obviously go against the very spirit of the nationalizations, which are going to play an essential part in the success of the process of renewal.

The Scope of the Nationalizations

From this point of view it is indispensable to be fully aware of all the additional ways in which the nationalizations benefit the workers and in a wider sense further the process of social transformation which has begun.

In industry and banking, the nationalizations should be useful tools in the service of the transforming movement to create jobs--especially production employment--in order to meet national and social needs, reconquer the domestic market and improve international cooperation.

In industry and banking, the nationalizations should be useful tools in the service of the transforming movement to enhance research and technological innovation, to make vocational training a priority in order to increase the social effectiveness

of production and to create conditions for a new productivity based on improving people rather than crushing them.

In industry and banking, the nationalizations should be useful tools in the service of the transforming movement for social progress and a new participation of workers in the new management of business.

This is the substantial contribution which the nationalizations can make.

"There Will Be No Change For You Without Your Involvement"

So, comrades, under these conditions, I ask the question: how is it possible that at the very moment when the legislation covering these nationalizations is being debated, that right here, at Renault, in this national industry which from any point of view is rightly considered a symbol, we have recently seen, in the current conflict, a stubborn refusal to enter the mandatory negotiations on the legitimate demands of specialized workers and other categories of employees?

This does not put Renault in a good light. What the nation's industry needs is not authoritarianism and increased exploitation of the workers. We saw during the years of Giscard's government what disastrous "results" that had for the workers and for the Renault management itself. What the nation's industry needs is a new social climate that encourages the participation of all, to make it possible to move toward the resolution of those big issues involving wages, job classification, working conditions, rights, and which have been a subject of contention for years. It is only in this way, by making Renault play the vanguard role which is rightfully its own in the field of social progress and democratization, that the nation's industry can reach its full economic efficiency.

One can see clearly under these conditions that by making their full weight felt so as to win the struggle against the resistance they are encountering--as they did again on their Thursday "day of action"--Renault workers are not only on the right road to resolving the impasse but are all the more effectively serving the interests of their industry, the interests of the movement of transformation itself. The involvement of the workers in all the problems that concern them and which our society is facing is not only the road leading to the satisfaction of their demands, but it is the key question we face in moving forward to implement the new policy the country needs.

The specialized workers at Renault understood this when they proclaimed: "Change is also our business." Speaking to them last November in Mans, I said what in my opinion the word "change" means for a specialized worker today. It means, first of all, increasing wages and substantially reducing the work-week. Next, it means recognizing the qualifications, the know-how the specialized workers, the manual laborers and unskilled workers have acquired, and paying them accordingly. Lastly, it means taking the measures necessary to make the work less harsh and more interesting.

After making specific proposals along those lines, I said: "There will be no change in France if nothing changes for you." Today I would add: "There will be no change for you without your involvement."

The Advances Made Possible by the Nationalizations Are Still to Be Won

That is the way to effectiveness.

Already, it was by struggle that the workers of Renault got the company to agree to manufacture a small, low-price vehicle at Billancourt, and to continue manufacturing the "4-L" in its entirety right here, though it was going to be transferred partly to Belgium.

Then, too, it has been by their struggle, by the success of their Thursday "day of action" in which 50,000 workers participated, that Renault workers won a major wage increase and finally won the company's agreement to begin negotiations on the industry's general problems. Permit me to take this opportunity, on behalf of our party, to congratulate all the workers of the Renault management on this initial victory; to express my personal satisfaction at the results, since I myself on 5 October had demanded the opening of such discussions; and, finally, to make an observation:

What a messy business, this dogged intransigence you have encountered in recent weeks: all it has done is poison the atmosphere, create worry and discontent, and engender the loss of production of thousands of vehicles! And, at the same time, what a fine thing it was to see the active and massive involvement of the workers: it made possible a resumption of dialogue, negotiations, the only way to resolve the problems pending and find solutions to the conflict under way that are in the interest of the workers and the nation's industry.

In truth, we see it in everything: the great economic and social advances that the nationalizations may set in motion are not going to fall from the sky into our hands. They will still have to be won step by step. They require not only determined action by the government but also, and inseparably, a day by day, continuing struggle to get free from the shackles put in place by big business and to force changes in the social relationships and the attitude steeped in decades of capitalist management. The real interests of the nation are in the hands of the workers, and at the heart of their actions. The forward march of our society depends in the first instance on their involvement.

The Importance of CGT's Role

All this, in short, only serves to further highlight the importance of the responsibilities which today rest on every working woman and working man and on the class organizations they have been given.

It is true of the labor organizations. You see how the enemies of change are redoubling their attacks now against the classist spirit in the labor movement. You see with what vigor and what venom they are attacking the CGT. It is a sort of unintended homage the capitalists have always paid to the class and mass labor organizations which the French working class has forged through decades of anti-capitalist struggle. Truly, when one looks at everything that is happening today, there is good reason to rejoice at the fact that in France today there is a powerful, active CGT totally independent of the government, the capitalists and the political parties, uncompromisingly defending the interests and rights of the workers, and doing so with full awareness that this is a class struggle!

We already stressed, in a text which we delivered to all the French labor organizations in March 1979, the fact that the PCF is pleased that "the labor movement has continued to play, and plays even more fully today, a role of primary importance in the life of the country." Our pleasure was all the greater because the biggest labor confederation, the CGT--I am quoting from the text--"is based on the same class foundations" and maintains with out party "ties woven by the history of innumerable struggles and joint class positions." It is thus reasonable and healthy for the Communists, "with their sense of their own responsibilities and in respect of the principles of democratic labor, to contribute their own experience, their dynamism and their unbroken devotion to the cause of the workers and the country to the labor movement."

The Critical Question: The Party in Industry

At the same time, everything should inspire Communists to focus even more attention on the life of their party in industry.

I do not hesitate to say that this is a critical question. In that connection, you have doubtless noted that, drawing critical lessons from our past activity, the resolution proposed for the upcoming congress is an urgent appeal for a veritable renewal of our efforts in this field.

Everything I have said before proves, in fact, that the task of every Communist, every party organization, and above all every industrial cell today, is to be there on the scene where and when workers' problems arise, to increase understanding, through their struggles, of the causes of their problems, the solutions that are called for and the class stakes involved in every battle.

The task for everyone, the task for each of us, is to take a resolute part in the political debate that has arisen in the whole country as a result of the great problems faced by our society and our age.

Our task is to express and defend the interests of the working class in all its component parts--from the specialized worker to the technician--and to respond to the legitimate aspirations of all categories of wage-earners.

The task of the Communists, in a word, is to contribute--and I quote the proposed resolution for the 24th Congress--"to changing the dimensions and the quality of our political activity and our initiatives in the struggle, to further enrich our understanding of current industrial realities, to keep as close an eye as possible on the changes taking place among the wage-earners, and in the working class itself, whose unity calls for incessant efforts."

Naturally, this attempt to make the mass activity of our party equal to the demands of the situation, to promote, as we say, a "new political practice" in industry, must be accompanied by substantial increases in its capacity for initiatives, improvement in organization, and democratic operation, if it is to be effective.

Our own self-management strategy is inconceivable without a growing number of militants with advanced political and ideological awareness, without thousands and thousands of industrial cells capable of rapidly and intelligently dealing with problems that arise in life and meeting them with well thought out, concrete action.

It is inconceivable without a large revolutionary mass party, a party that is enriched by the diversity of its members, strengthened by their conscious participation in the elaboration and implementation of their party's policy.

By such efforts, and only by such efforts, our party will create the conditions both for a resurgence of its own influence and for the democratic advance of our people and our country toward socialism.

9516

CSO: 3100/92

DECREE REORGANIZES ENERGY SECTION OF MINISTRY OF INDUSTRY

Rome STAFFETTA QUOTIDIANA PETROLIFERA in Italian 29 Oct 81 p 4

[Text] In France, governmental authorities have restructured the Ministry of Industry. The outline of the new organization is contained in decree number 81/858 dated 15 September and published in the Journal Officiel on 17 September.

Of particular interest to the petroleum sector is the general management of the Energy and Raw Materials Department and the two management offices it heads: that of Hydrocarbons and that of Gas, Electricity and Coal.

The functions of the three offices are outlined in articles 6, 7 and 8 of the decree, which stated the following.

The general management of the Energy and Raw Materials Department is tasked with drawing up and putting into effect the government's policies in the sectors of energy and raw materials. It is charged with guiding and coordinating actions originating from the management and service offices which it heads.

It elaborates on and executes those measures aimed at furthering the development and diversification of national production, supply security and national utilization of these resources as they affect the country's needs as a whole.

In this regard, its responsibility is directed mainly toward research, production and supply, investments, commercial policy, prices, salaries and social matters, in cooperation with other ministries sharing their common interest. It is tasked with the elaboration and the execution of such measures which have as goals fuel and raw materials economy and whose aim is the development of heat distribution networks as well as the use of new energy sources such as solar, eolian, biomass and geothermic sources. In that capacity it specifically exercises control over the Agency for Energy Savings, the Secretariat for Solar Energy and, with regard to responsibility to the Ministry of Industry, over the National Agency for the Collection and Disposal of Wastes. It is furthermore charged to act on the measures of control and rationing of energy products and of mineral raw materials decided upon by the government as specified in Article 1, Law number 74-908 dated 29 October 1974, as amended.

The General Management Office is charged with following the activities of the Atomic Energy Secretariat and its branches as it relates to energy production and supply of basic nuclear materials. It ensures the tutelage of the Nuclear

Materials General Company and of the French Bureau for Raw Materials. At its head are the national mine institutes of Paris and St. Etienne.

- The management of the Hydrocarbons Department is charged with planning and carrying out government policies for the supply of crude oil, petroleum products, gas, hydrocarbons, alternative fuels, and development of the petroleum industry including those industries linked to it both in France and abroad.

It draws up and applies regulation and organization measures relating to research and the exploitation of liquid and gaseous hydrocarbon beds.

It defines the regulation and organization measures relating to petroleum products and oversees their enforcement.

It establishes and ensures application of technical and safety regulations of petroleum plants in addition to those relating to the use of petroleum products. It is responsible for administrative and technical tutelage over the Institut Francais du Petrole and over public plants and national companies which rely on that sector over which it has jurisdiction. This includes the branches of the above mentioned organizations.

- The management of Gas, Electricity and Coal is entrusted with planning and carrying out government policy in the sectors of electricity, solid combustible materials and the transportation and distribution of gas. It is responsible for the preparation and application of documents concerning the organization and function of gas and electricity services.

It exercises control over Electricite de France, Gaz de France, la Compagnie Nationale du Rhone and their branch offices as well as state technical control over the amalgam of companies and organizations which are also involved in the management of gas and electricity public services. It is also involved in the management tasks of industrial quality control and safety.

It has tutelage over Charbonages de France, the basin's mines, and their affiliates. It has also been assigned responsibility for statute and social problems with regard to those organizations involved in gas and electricity public services. Together with the management of Hydrocarbons, the Raw Materials and Subsoil Office and the management of Metallurgy, Mechanical and Electrical Industries, it coordinates actions as they relate to the wellbeing of the miner and mining social welfare.

With an ordinance signed on 15 September by Edmond Herve, deputy minister for energy of the Ministry of Industry, authority to sign all acts, ordinances and decisions in the name of the minister, with the exception of decrees, and within the limits of his responsibilities, was turned over to the director general of Energy and Raw Materials, Francois de Wissocq. In case of unavailability, or if the director general of Energy and Raw Materials is incapacitated, the ordinance states that these responsibilities can be assumed by his deputies or by the director of Hydrocarbons, or by the director of Gas, Electricity and Coal.

BUSINESSMEN FAVOR GOVERNMENT CHANGE

Athens EPIKAIRA in Greek No 69L 29 Oct-4 Nov 81 p 27

[Article by K. Kalandzis]

[Text] Seemingly, businessmen are not holding their breath after the change of government. On the contrary, they all agree--including the danger-mongers--that the business community received the change very calmly, almost naturally, and waits in a climate of tranquility to hear the specific measures of the new government. This is attributed to the fact that:

1. Many businessmen (and not only the small to medium-sized) voted for PASOK either as a reaction to the previous government or just for the "change."
2. Many believe that the new government will take positive measures to encourage production and investments (because it cannot succeed without it) and at the same time it will limit its radical measures about nationalization to a few families which Papandreu limited to 10 just before the election. There are reports that the first measures to be taken by the government will be designed to strengthen private initiative, control public expenditures, deal with the problem of "heavily indebted" enterprises, and provide credits especially to small and medium-sized enterprises, etc.

In the meantime, the Association of Greek Industrialists [SEV] addressed itself to the government, saying:

1. That "in the 18 October election the majority of the Greek people" entrusted PASOK with the country's government and that in parliamentary multiparty democracies the government decides and acts with a view to the "national interest" for the benefit of all the people.
2. That the "survival and growth of industry is tied to the prosperity of society. In a crisis both are hurt. For this reason, the positions and goals of industry cannot be different from the legitimate interests of society as a whole."
3. That "our economy faces very acute problems which not only endanger what has been achieved so far but also, if they are not drastically and directly dealt with, will endanger the country's future progress."

4. That "it is imperative to achieve a climate of certainty and calmness."

Further, SEV observed that "it is necessary to define directly and precisely the limits for the expansion of the public sector, state intervention and operational experiments" and that "for risk-taking, it is necessary to clarify the framework of private business initiative."

"A Dialogue of Anti-Dogmatism"

At the same time, Minister of Commerce Akritidis noted that "there will be essential control over prices and cost formation, without turning this into a bureaucratic control over prices or policing the marketplace by "freezing" prices.

"The market will function freely and for this the necessary measures will be taken." The business world awaits these measures together with those which will apply to the entire economy "in the belief that fanaticism and dogmatism (whatever its origin) must give way to realism and a continuous dialogue."

7520

CSO: 4621/41

GOVERNMENT FACES PRE-ELECTORAL ECONOMIC COMMITMENTS

Athens EPIKAIRA in Greek No 691, 29 Oct-4 Nov 81 p 25

[Article by G. Katsonis: "Preelection Commitments and Present Tests"]

[Text] The coming weeks will bring a series of tests for the new government. The rich outpouring of promises during the preelectoral campaign--some characterized as commitments--closed 10 days ago and the strong popular support [given PASOK] has brought the moment of action.

The new government vessel starts off under auspicious conditions: an ample majority in the Chamber of Deputies, a homogeneous and disciplined government, new personalities in important posts and, above all, enthusiasm and determination.

But the future is to a degree mortgaged to the pronouncements of the past. In the remaining 2 months until the end of the year four items will test the resilience, consistency and potential of the new government. These are:

1. The cost-of-living adjustment of private sector wages and salaries.
2. The cost-of-living adjustment of civil service salaries and pensions.
3. The "indexing" of income tax deductions.
4. An increase in the rates charged by public utilities and public enterprises.

With regard to the first three the government virtually had committed itself prior to the election; obviously, inconsistency is not in its character especially after the impressive endorsement it received. The fourth will result from the course of events although the premier had clearly mentioned it in his speech at Syntagma Square.

Therefore, if the government keeps its word it will increase its already great popularity, but we have no assurance that it has made sure how to offset the repercussions its policy will have.

Two of the above four measures (the cost-of-living increase of private sector wages and salaries and the increase of public utility rates) are mathematically certain to translate into more inflation which may exceed the present level by another 10 units.

The cost-of-living adjustment of civil service salaries and pensions will cause additional expenditures that may reach, if not exceed, 50 billion drachmas to a budget which already has a 60 billion drachma deficit (the first such deficit in many years). The increase in the level of the minimum taxable income will result in a loss of revenue which may exceed 25 billion drachmas. Last year the abolition of the first four tax levels (up to 80,000) enacted when Evert was minister cost the budget approximately 20 billion drachmas.

In spite of the threatening nature of these figures, the new ministers appear to be determined. They belong to those who deal with problems dynamically, not statically, and they seem to imply that they focus their efforts not toward escaping the fulfillment of their promises but on how to neutralize or at least tone down the inflationary effects the implementation of their promises may have.

On the inflation front it appears that they plan to strengthen the supply of goods to slow down the tendency toward higher prices (especially profiteering). This policy will cover both domestic production and foreign imports where the procedures for controlled supply of the marketplace, in stable prices, will be activated.

In the area of the budget there are only two forms of action. The intensification of the battle against tax evasion and the levying of new taxes to increase public revenues. Capturing unpaid tax revenues especially in the case of "big" tax evaders is politically attractive as well. If, however, this effort is extended to some populous and somewhat politically radical professions (and it appears that much room exists in that direction as well) the reaction will be more or less predictable. The same will happen if new taxes are imposed. By bringing back, for instance, the tax on real property, with the exception of houses of minimum value, the extent of revenue recovery will be limited so that the issue becomes political rather than economic.

In spite of all these inherent difficulties the new government has many possibilities, including even postponing delivery of its promises. A "grace period," if sought directly and explained to the citizens with candor and if its duration is specified, will not be denied it by the enthusiastic electoral mass which 10 days ago opened a new chapter in Greek history.

What will eventually be asked of this mass, we will hear possibly next week.

7520

CSO: 4621/41

GOVERNMENT ISSUES REVISED 1982 BUDGET FIGURES

Rotterdam NRC HANDELSBLAD in Dutch 16 Nov 81 p 3

[Text] The Hague, 16 Nov--According to the budget, expenditures are to increase in 1982 by 2.238 billion guilders. On the other hand, Van der Stee, minister of finance, has made a number of reductions in the budget prepared by the preceding cabinet, amounting to a total of 1.688 billion guilders.

This is stated in the "Policy Paper on the 1982 Budget," which was presented by Van der Stee today simultaneously with the government's statement of policy.

The increases in spending are mainly the result of what are called "policy intensifications," partly within the framework of the employment plan. A total amount of 1.462 billion guilders is involved here.

At the same time public revenues will decline by 270 million guilders due to the cabinet's decision to raise the gas rate for small consumers not by 10 Netherlands cents, but by 7 Netherlands cents per cubic meter.

Because of changes in the cutbacks that were mentioned in the budget, these measures will yield 415 million guilders less.

The total of the cutbacks decided on by the cabinet comes to 1.063 billion guilders.

Discussion in the cabinet of the final determination of the measures that must be taken to bring the cuts back up has not been completed.

Social Measures

The previous cabinet had put into the budget bill a package of cuts in the field of social security amounting to 1.915 billion guilders. The new cabinet has decided not to carry out a number of these measures or to restrict them.

These changes are dictated by the desire not to let the incomes of those disabled for work drop too low. By these changes the yield for the national treasury is reduced by 315 million guilders.

Thus it has been decided not to eliminate the age and disability deductions from the income tax, but to lower them (yield 175 million guilders). The allowances

Effects on Expenditures by Ministries

The policy announced in the government declaration has the following effects on the expenditures in the ministerial budgets for 1982 that were presented in September:

	Increases (in Millions of Guilders)	Decreases (in Millions of Guilders)
The Queen's Household	-	-
High Colleges of State	-	2.40
States General	-	1.20
Office of Netherlands Antilles Affairs	-	-
Ministry of Foreign Affairs	-	0.30
Ministry of Justice	17.70	22.70
Ministry of Internal Affairs	36.00	91.30
Ministry of Education and Sciences	150.00	185.30
National Debt	-	-
Ministry of Finance	-	35.20
Ministry of Defense	-	26.10
Ministry of Housing and Physical Planning	403.50	72.30
Ministry of Transport and Waterways	32.50	327.90
Ministry of Economic Affairs	337.00	90.80
Ministry of Agriculture and Fisheries	-	27.90
Ministry of Social Affairs and Employment	304.00	349.80
Ministry of Culture, Recreation and Social Welfare	5.00	56.00
Ministry of Public Health and Environment	150.00	13.80
Supplementary Items	801.00	135.00
Law Regulating Investments	-	250.00
Rounding-Off Discrepancies	1.30	
Grand Total	2,238.00	1,688.00

It must be mentioned here that the Ministry of Housing and Physical Planning will postpone 630 million guilders in payments that were to have been made next year to 1983 and later. If this were not done that ministry would have had to cut back not 72.30 million in 1982 but 702.3 million guilders.

for recipients of WAO [Law on Labor Disability] benefits above the modal (the so-called "WAM benefits") will be abolished not in 1 year but in 2 years (50 million guilders).

This cabinet will also not go as far as the previous one in overhauling the transport arrangements for the disabled and in measures in the field of support. The cabinet also rejects the change in the minimum wage provision announced in the budget bill.

The introduction of five waiting days for the employer and a reduction in the net sickpay for the employee will yield 1.2 billion guilders.

The contributions of health care to the economy package remains unchanged at 525 million guilders.

The reduction in the state contribution to the general civilian pension fund mentioned in the budget (900 million guilders) is also taken over without change.

The supplementary revenue plan runs to 700 million guilders. This plan includes raises in a number of excise taxes (beer, sugar, cold drinks) and a limited rise in the rate of taxes on wages and incomes.

The reduction in the revenue from natural gas as a result of lower sales and the oil price trend amounts to at least 2.7 billion guilders. The cabinet will have to find compensating measures for a sum of 1.365 billion.

In addition it has been decided to burn 4 billion instead of 2 billion cubic meters of natural gas in electric power plants. This leads to an increase in natural gas profits of 800 million guilders.

Van der Stee expects that the collective tax burden will be stabilized from 1981 to 1982. On the basis of the government program an increased burden (0.4 percent) due to raising the natural gas rate is not taken into consideration.

More than 2 billion guilders will be devoted to the employment program in 1982. With that amount, according to Van der Stee, a supportive effect of approximately 4 billion guilders can be obtained, part of which will be spent after 1982.

8815

CSO: 3105/39

TEXT OF COALITION AGREEMENT ON ECONOMIC POLICY

Rotterdam NRC HANDELSBLAD in Dutch 5 Nov 81 p 3

[Text] Below are passages from the final "clear-cut agreement" which took shape yesterday evening under the leadership of the cabinet architects De Galan and Halberstadt. These sections are part of the final report--amounting to 45 pages. The compromise which was only reached yesterday involves the question of what must happen if the nonrecurring tax increase for the employment plan ("solidarity levy") is followed by additional pay demands from the trade union movement. The compromise solution is printed in italics in the text below:

Collective Tax Burden and Coverage Plan

In conformity with the governing agreement, the government intends to stabilize the collective tax burden in 1982. This is being achieved with a coverage plan amounting to 700 million guilders, against which individual social insurance premiums--especially the AOW [General Old Age Law] are limited to 500 million guilders.

As regards providing for the coverage plan of 700 million guilders, the following is specified:

On Monday 26 October it was decided, it is true, to adjust the inflation correction for 100 percent, still of that, 17 percent was subsequently again cancelled. The income from that in 1982 is 290 million guilders on a cash basis. The cabinet decided on last 29 October to fund the rest of the coverage plan envisaged in the field of excise duties on beer, soft drinks and sugar.

In the tight financial situation, it would be tempting to increase taxes structurally. We regard this as highly undesirable and moreover in conflict with the governing agreement. We prefer the large scale introduction of investment wages. Since this demands time and in 1982 still will only provide very modest financing facilities, it is being decided to resort in 1982 to a solidarity levy temporarily and once only for employment. This measure is to supply 500 million

guilders in 1982. This levy will take preferably the shape of an increase of all tax brackets in wage income taxation, with the exception of the lowest (accordingly from the 26 percent rate), by one point during the period 1-4-1982 to 31-12-1982 (see footnote).

[Translator's note: paragraph below is in italics].

All in all, there is involved in the contemplated taxation measure a question which is not related to the collective tax burden and which accordingly must also not be considered in the termination of it as tax relief for 1983. This measure is being taken on the assumption that a wage reduction will be achieved, in accordance with the governing agreement. If this reduction should not materialize wholly or partially, then the government will have to adjust its policy to the situation which then prevails.

The government will encourage in negotiations about working conditions the inclusion in CAOs [*Collective Labor Agreement*], of investment wage regulations which fit in with the resolution on business savings regulations. They proceeded on the assumption that the amounts thus created will partly be available for distribution of work in the branches of business and businesses affected and will partly be obtainable for financing the enterprises concerned. As these regulations are carried out, the government will use a corresponding amount, preferably in the building industry sector, with financing through the capital market.

In each case a nonrecurring extra levy of 250 million guilders will be made in 1982 on the capital market on behalf of construction.

As soon as negotiations about working conditions indicate that investment wages are actually being carried out in the private sector to a considerable extent, a withholding of a half a percent will take place among civil servants for the additional financing of jobs, including part-time in the quaternary sector and projects related to it, with a view to distribution of labor.

Finally the 250 million guilders for measures in the market sector, such as spearhead projects, introduction of part-time opportunities and export facilities will be drawn from WIR [*Law on Investment Account*] funds.

Through the above means, an amount of about 1 billion guilders is being raised to noticeably improve employment in 1982. We assume that the temporary financing burden of such a package of measures will be socially acceptable and will not lead to shifting the blame from one to another and consequently to negative economic side effects.

Footnote

Some increase of the BTW [Value-added tax] could be considered as an alternative. Such a measure has especially the objection that a temporary increase is involved here. A small change in the BTW rate which must be again restored after less than a year subjects business twice to a great deal of administrative red tape, namely both in the increase as well as in the reduction after some time. Also the danger that an increase of the BTW rate will lead to a more than proportional upward movement in the price level may not be underestimated. Moreover, the effect on the cost of living will have to lead to such compensatory increases in minimum wages and consequently in social benefits, that the income figure for the minimums of -1 percent, which was agreed to in the governing agreement, is guaranteed. Moreover, a measure in the field of wage and income taxation fits in more logically with the idea of an investment wage than a BTW increase.

8490

CSO: 3105/33

LEFTIST ORGAN: NEW ELECTION MAY NOT YIELD ECONOMY SOLUTION

Copenhagen INFORMATION in Danish 12 Nov 81 p 1

[Editorial]

[Text] Even though the government and its three compromise parties don't want a Folketing election at the moment they are being forced into one. The government's plan for "a stronger effort for employment in 1982-85" contains elements so offensive to the Center Democrats and the Christian People's Party and perhaps the Radical Liberals as well that the risk of being branded as even indirect supporters for this kind of policy could make these parties decide they would rather opt for a quick election.

The municipal elections this Tuesday are a contributing factor explaining why politics are getting away from the politicians in this way. Now, for example, CD [Center Democrats], according to several opinion polls, is likely to have good results from the municipal elections because this party, as a compromise partner with the government, is at the same time a guarantee that the government can't put its "black hand" on the funds in pension trusts. But the government plan states expressly that it will "take up negotiations with the parties in Folketing"--not just the compromise parties, in other words--concerning a policy that will eventually obligate the institutions via legislation to "invest 40 percent of their investment capacity in index bonds as long as the exchange rate does not exceed 100 and to use up to 10 percent of the investment capacity to buy stocks and cooperative certificates, liable lending capital, business loans, interest-producing instruments of debt and construction loans." What does that make the Center Democrats' compromise guideline in the government worth?

Naturally even the hawks in the government, the Social Democratic Party and LO [Danish Federation of Trade Unions] are interested in dissociating themselves from "the black hand" so that some of the other elements in the plan emerge more conspicuously in the public awareness before an election has to be called. The judgment on Mogens Glistrup later this month, Thomas Nielsen's departure as LO chairman next year on 16 February, these things have also played a part in Anker Jorgensen's desire to postpone the moment of decision until sometime next year. If Mogens Glistrup is given a harsh sentence it could hurt the Progressive Party and if Thomas Nielsen is no longer LO chairman it won't matter so much if he goes

around gloating over the fact that Anker Jorgensen is eventually forced to call an election on a clear LO basis and after a break with his support parties.

But the danger with this postponement is apparent from the latest account of how the employment plan came into existence. If Thomas Nielsen hadn't forced Anker Jorgensen at the last minute to stick tight to the basic principles and the close to 15 billion kroner for business activity from pension funds, financial institutions and insurance companies the prime minister would have sold out on most of the financing reform even in advance.

The nation's problems are far from having been solved even if the plan is implemented in its entirety either before or after a Folketing election. The beginning of capital administration, an economic democracy, a cooperation between public and private production, all this is flimsy and uncertain. Many of the promises on uniform rent laws for the entire country, interest taxation, reduction of work hours, paid freedom for education, the youth guarantee, aid for renewable energy and taxation of private funds are unclear.

But they are being mentioned, these hints of a new policy going counter to the one that has driven the country into a situation with a quarter of a million people out of work and an ominous indifference and resignation in almost all camps.

Can the support parties through an economic compromise with the government really give it peace in which to work for this kind of new policy, perhaps together with other parties on the basis of fluctuating majorities for the various proposals, perhaps following a Folketing election? If the support parties just can't go along with this we will have a parliamentary election very quickly. Even though none of them, certainly not Anker Jorgensen, wants one.

When this editorial went to press it was apparent that they could not go along with it even so.

6578

CSO: 3106/23

LIBERALS, CONSERVATIVES SEEN BENEFITING FROM GLISTRUP CASE

Progressive MP's Expected to Bolt

Copenhagen BERLINGSKE TIDENDE in Danish 20 Nov 81 p 1

[Article by Lisbeth Knudsen]

[Text] The day after the high court sentence in the Mogens Glistrup case is handed down--in other words on Tuesday, 24 November--the Progressive Party Folketing group will meet at Christiansborg to discuss a change in the political line. A number of prominent members of the group want a softening of the party's previous critical attitude toward a possible nonsocialist VK [Liberal/Conservative] government coalition. They want--as the election campaign will show--FRP [Progressive Party] to support a nonsocialist government and reject a Social Democratic prime minister. But three simple terms must be met:

An increase in state pensions.

A hiring freeze in the public sector.

A small increase in the tax-free bottom limit.

It is the municipal election victory for the Conservatives primarily that has led several group members to take action against their leader, Mogens Glistrup. He has in the past demanded direct FRP influence before giving the nod to a VK government--preferably in the form of ministerial posts. Group members think FRP will get more out of a compromise than it will with no influence at all.

Group chairman Uffe Thorndahl would not take a stand on the difference of opinions in the party before the group meeting on Tuesday has been held and there the sentence in the Glistrup case could play a large role. He said the VK plan is a much better working basis from FRP's point of view than the Social Democratic plan. He added that FRP wants to have as much influence as possible on the policy to be pursued by a new government--and that FRP will not make political ultimatum demands.

Blocs Stable in Local Elections

Copenhagen BERLINGSKE TIDENDE in Danish 20 Nov 81 p 3

[Article by Michael Rastrup Smith]

[Text] The Social Democrats will lose and the Conservatives and SF [Socialist People's Party] will gain in the Folketing election on 8 December. But there will not be any significant shifts between right and left blocs in Folketing.

That opinion was given by election researcher Steen Sauerberg at the Institute of Social Studies at Copenhagen University. He used the votes cast in the county council election on Tuesday and the figures from the Copenhagen and Frederiksberg municipal elections as the basis for his predictions:

"There are two blocs of almost equal size in Folketing. One consists of the Social Democrats, SF, the communists and VS [Socialist Left] and the other consists of all the other parties. If we compare the votes cast for these two blocs in the county council elections of 1978 and this year there are only minimal shifts between the blocs. In 1978 the leftist bloc received 47.9 percent of the votes which declined only 0.3 percent to 47.6 percent in the election Tuesday. The right-wing bloc, including the Liberals, Conservatives and the small compromise parties, received 50.9 percent of the votes in 1978 and 51.6 percent now.

"This means that the Conservative gains and Social Democratic declines do not mean a shift to the right. The votes that are transferred keep the two blocs in balance. In the right-wing bloc the Progressives are getting weaker and the Conservatives stronger and in the leftist bloc the Social Democrats are becoming weaker while SF and VS are gaining strength," said Steen Sauerberg.

"I think the tendency from the county council election will be sustained in the Folketing election. But a lot can happen in the election campaign with the Center Democrats figuring as the dark horse. Thus in the last three Folketing elections a quarter of the voters did not decide which way they would vote before the campaign was under way.

"The development in the county council election is opposite to the development in the recent Norwegian election. There the right-wing bloc increased greatly at the expense of the leftist bloc because many children of workers voted for non-socialist parties. That is a development we have not experienced in Denmark."

The following shows the vote distribution in percentages between left and right wings--based on county council elections and municipal elections in Copenhagen and Frederiksberg in 1978 and 1981:

<u>Bloc</u>	<u>1978</u>	<u>1981</u>
Left wing (Social Democrats, SF, communists, VS)	47.9	47.6
Right wing (Radical Liberals, Single-Tax, Center Democrats, Christian People's Party, Conservatives, Progressives)	50.9	51.6

Bank Chief's Statements Election Issue

Copenhagen BERLINGSKE TIDENDE in Danish 20 Nov 81 p 8

[Editorial]

[Text] Statements by National Bank director Erik Hoffmeyer to the periodical MANAGEMENT have been included in the election campaign in a very lopsided way. The Social Democrats have tried to present the statements of the National Bank director as a clear approval of the government's economic policy course.

It is correct that Erik Hoffmeyer has found that there has been an improvement in the international competitiveness of our businesses, making it possible for industry to regain a share of the export market. It is a bright point that this has happened without giving industry artificial respiration here to the same extent as has occurred in other western lands in the form of state subsidies. This shows clearly that general economic policy instruments aimed at improving the situation for business can have a quick effect in the desired direction.

It is also true that there has been an improvement in the balance of payments. But it should be pointed out that this development has been accompanied by a considerable increase in unemployment. Especially in the private business sector one can expect that around 100,000 jobs will be closed up to the end of 1982 compared to conditions in 1979. There has never been anything very remarkable about limiting the balance of payments deficit by causing unemployment to shoot sky-high. In addition the shift of employment away from the private sector into the public sector won't make it any easier to bring about the strong growth in the private business sector in the years ahead which will be a prerequisite for an approximately simultaneous solution of the payments balance and employment problems.

But the crucial point in the statements of the National Bank director is his indication that 1982 will be a decisive year for the Danish economy since it is now vitally necessary to maintain and preferably increase the improvement in competitiveness.

In this context Erik Hoffmeyer referred to wage developments among other things and he is correct that serious problems lie ahead for the Danish economy in this area. There is a prospect of having four cost-of-living increments falling due next year while the sliding wage system, as we know, is picking up steam again. For example the government's own economists also anticipate a sharp increase in wage costs next year which will really hamper Danish businesses in international competition.

But in its economic policy program the government deals with the economic threat only with meaningless remarks about wage restraint. Instead of basking in alleged praise it would have been better for the government to explain to businessmen and the voters how it intends to solve the serious problems pointed out by the National Bank director in 1982.

Paper Looks at Local, National Elections

Copenhagen BERLINGSKE TIDENDE in Danish 20 Nov 81 p 8

[Editorial]

[Text] The quite unique circumstance that the municipal council elections and the Folketing election are so close together both in actual fact and in the awareness of the voters has led the so-called social scientists to come up with an endless stream of commentaries on and thus predictions of the course of the collective election events. The expertise that has been expressed is far from united. Some experts have warned against drawing conclusions from the municipal elections and applying them to the Folketing election because the political problems and dimensions are so different. Others have maintained that the same tendencies will characterize both elections. Opinions are even more divided when the experts look into their crystal balls. Among the observers advocating the tendency viewpoint there is disagreement as to whether the trend in municipal politics will be reinforced or weakened in the Folketing election.

It is a good thing that research has this kind of opportunity to be presented to the public. But the strong demand for expert evaluations should not lead experts to transform election events into a laboratory where experiments can be conducted. There is special reason to warn that the division between scientifically-based observation and political influence can be very fluid. During an election voters pay attention to the tendencies anticipated in that election and the experts can--whether on purpose or not--influence ideas concerning the trends and thus reinforce them. The vast majority of experts take the necessary reservation and stress the natural uncertainty associated with the outcome of a Folketing election. Therefore it seemed untimely and misplaced when a social scientist affiliated with Aalborg University presented views during the municipal campaign that obviously lacked scientific support but clearly influenced opinion.

When the votes have been added up the Folketing election will be analyzed backwards and forwards. The real research begins when it is possible to evaluate what

happened and not just assumptions of what might happen. The election figures from the county council elections that have been held could--quite without expert interpretation--involve a trend rooted in the consciousness of the voters. For example it must make the leaders of the Progressive Party pause and reflect that the party suffered a sizable election defeat in the former bastion of the capital region while the election went somewhat better in the Jutland counties and on Fyn. And there must be many wrinkled brows in the Single-Tax Party where the threat of political oblivion has moved closer. But the question of whether the tendencies will hold must remain open until the election is over. Voters and election analysis have a mutual interest here.

Liberal, Conservative Chairmen Optimistic

Copenhagen BERLINGSKE TIDENDE in Danish 20 Nov 81 p 7

[Text] "I would like to issue a strong warning against driving the election campaign into a blind alley, concerning only party combinations and discussions of who can work together with whom. The primary task is to create sympathy for a political shift."

So said the Liberal Party chairman in his speech to the party's Folketing candidates at Christiansborg yesterday. Conservative Party chairman Poul Schluter took precisely the same line on the TV news program Wednesday night.

"It is becoming more and more likely that we will have a nonsocialist government after the election on 8 December. The big gains made by Liberals and Conservatives in the municipal elections were a good sign and Prime Minister Anker Jorgensen is isolating himself more and more from one day to the next by attacking all the nonsocialist parties in Folketing indiscriminately," said Henning Christoffersen.

"Now the task is to convince the voters of the necessity of the policy that must replace the Social Democrats' plan which has already lost its credibility and which they themselves no longer talk about."

6578

CSO: 3106/24

UNEMPLOYMENT, BUDGET BECOMING LEADING ELECTION ISSUES

Economy Minister Defends Fund Scheme

Copenhagen BERLINGSKE TIDENDE in Danish 20 Nov 81 p 8

[Article by Economic Affairs Minister Ivar Norgaard]

[Text] An editorial article in BERLINGSKE TIDENDE on 16 November, entitled "Ivar Norgaard's Election," expressed dissatisfaction with some statements I made in Folketing during the debate on the government's financing reform, asked for a more detailed explanation and concluded somewhat dramatically by saying that I can no longer delay a choice between telling the truth or openly admitting that I will continue to throw loose allegations around.

The truth is that during the negotiations we in the government listed some major elements on which we wanted to reach agreement after which practical and technical details could be worked out that would be supported by the representatives of the pension funds and the insurance companies.

The goal was to get far enough in the negotiations that representatives of pension funds and insurance companies would agree to recommend the agreement to their members and firms.

But the Center Democrats and much of the nonsocialist press spread unrest on the negotiations daily. There was hardly any misfortune they didn't claim would result from a reform. CD [Center Democrats] went so far as to call any form of legislation a forcible intervention. Since we could enter into a voluntary agreement with pension funds and insurance companies only if legislative changes created competitive neutrality with regard to money institutions, the Center Democrats made it impossible to conclude such an agreement. We offered to talk more to see how far we could come with a voluntary agreement but of course we could not cut ourselves off from any opportunity to resort to legislation.

To use in the negotiations we prepared some working papers that were delivered to participants in the talks. These papers were printed in some nonsocialist newspapers which then embarked on an outraged criticism of some of the contents of the working papers and accused the government of working with loose and sloppily prepared plans.

During the talks we naturally took into consideration the objections made by those we were talking with and therefore we withdrew some of our proposals. This was true of a proposal to allow index-regulated state bonds to be included in the list of investment opportunities the pension funds and insurance companies could put their money into. They could have been used to insure balance between supply and demand if there were periods when there was not enough paper on the market issued by real credit institutions.

This idea did not win support and we abandoned it several days before any non-socialist newspaper dressed it up in sensational terms and presented it as if the big news item was that these state bonds were a vital--perhaps the most vital--element in the government's proposal.

We also presented the idea that investment obligation could include direct loans to businesses in the wrong way. It was the Wage-earners' Cost-of-Living Fund that wanted the investment obligation to include direct loans too.

We foresaw that these loans would constitute only a very small part of the total plan and of course we are just as interested as the National Bank in allowing such direct loans to be included in the agreement only if guarantees could be created that they would not be used to redeem foreign loans.

Of the attitude of the organizations toward the plan I said these exact words in Folketing: "The reality is that all those we talked with were aware that it would be reasonable to move funds from passive investment over to active investment and those chosen to take care of the interests of pension fund members expressed very positive determination to enter into a voluntary agreement concerning such a transfer of funds. So did the Wage-earners' Cost-of-Living Fund and most of the ATP [General Supplementary Pension System] negotiators. The insurance companies also wanted to talk about a voluntary agreement but pointed out that certain conditions would have to be met before they could enter into such an agreement."

Progressives' Tax Plan Seen Popular

Copenhagen BERLINGSKE TIDENDE in Danish 20 Nov 81 p 7

[Text] "Z [Progressive Party] fever is spreading," wrote Finance Minister Svend Jakobsen in an article on the VK [Liberal-Conservative] plan in the LO [Danish Federation of Trade Unions] paper.

"The VK plan is based on massive relief for businesses and owners of capital. The proposals are not meant to guarantee that billions in relief for the present owners of businesses will lead to new investments and production. Regardless of this V and K are allowing people to think that this part of the plan will lead to 90,000 new jobs and an improvement of 9 billion kroner in the balance of payments. The other major element in the VK plan is a policy of strict cuts; 14 billion kroner in 1982 to 22 billion kroner in 1985 will be cut out of the public

sector. One can see the shadows of Bertel Haarder and Glistrup hanging over the selection of the cuts," wrote Svend Jakobsen.

Communist Leader Comments

Copenhagen BERLINGSKE TIDENDE in Danish 20 Nov 81 p 7

[Text] "There is a better way of eliminating all cheating in unemployment funds that would at the same time save a lot of administration. Offer work to everyone."

So said Danish CP chairman Jorgen Jensen in a commentary on the debate over the payment system and the admission of the labor minister that something must be done about the administration of unemployment payments.

"It isn't spare money but the money of people out of work that seems to be the basis of the attitude of the nonsocialist parties when they attack the payment system so strongly. And the Social Democrats partly agree with them," Jorgen Jensen said.

Statement on Guest Workers Ends Candidacy

Copenhagen BERLINGSKE TIDENDE in Danish 20 Nov 81 p 7

[Text] Chief veterinarian A. Th. Riemann is no longer a Folketing candidate for the Progressive Party in the Fjerritslev district. The district's decision came after Riemann was sentenced to 14 days in jail Friday in Hjorring for having made derogatory and discriminatory remarks about guest workers at an election meeting. He had previously been fined 4,000 kroner for making similar statements.

The district will nominate its candidate Saturday. At the moment there are two possibilities, teacher Kirsten Lund of Sindal and Lis Roland Pedersen of Arden who is married to the party's former national chairman.

Schleswig Party To Run Alone

Copenhagen BERLINGSKE TIDENDE in Danish 20 Nov 81 p 7

[Text] There will not be a renewed cooperation between the Center Democrats and the Schleswig Party. The approaching Folketing election was discussed at an executive committee meeting of the Schleswig Party. The party had worked with CD [Center Democrats] earlier but the cooperation ended when CD would not accept the Schleswig Party's candidate for the 1979 election. CD did not make any proposal to the executive committee meeting on renewing cooperation and therefore the party simply noted that they still wanted to cooperate with a Danish party.

ATASSUT CHAIRMAN: EC NO VOTE WOULD INCREASE U.S. INFLUENCE

Copenhagen INFORMATION in Danish 6 Nov 81 p 9

[Article by Henrik Heie]

[Text] With no affiliation to EC Greenland could become a plaything according to the chairman of Atassut [moderate, pro-Denmark party].

"The loss of EC subsidies would be a problem for Greenland for the first year or so but how much will we get out of EC in 10 or 20 years? Will EC then behave like the good Samaritan?" asked the Siumut [socialist, radical home-rule party] member of Folketing, Preben Lange, at a press conference Thursday on the upcoming Greenland EC vote. And he added that if EC would not go along with an agreement with Greenland after it pulls out Greenland would have to look around for other possibilities.

Plaything

"One of our strongest arguments for remaining in EC is that it is important for Greenland to preserve its affiliations with West Europe. We have NATO bases that are run by the Americans and if we don't keep up our EC affiliation the American influence will become stronger and perhaps the Russian interest would increase too so that Greenland could become a plaything between the superpowers," responded the chairman of the opposition Atassut Party, Lars Chemnitz.

Chemnitz said that he is sure Greenland could not arrive at a so-called OLT [expansion unknown] arrangement (a special trade agreement) with EC following talks he has had in EC with officials and politicians. But later on he moderated his statements to say it is very uncertain whether Greenland could arrive at such an agreement. He also said it would be hard for Greenland to get along without the 150-180 million kroner in EC subsidies that have been paid in recent years.

Pressure

Preben Lange felt an unjustified economic pressure has been exerted on the part of EC to get Greenlanders to vote yes. The question of an OLT arrangement must be decided after the popular referendum for "one can't bake bread before it has risen."

But we know the bread called EC and the special arrangement for Greenland, retorted Chemnitz who could not guarantee however that the special arrangement would continue even if Greenland remains in EC.

Chemnitz and Lange agreed that the EC vote did not concern home rule and the national community with Denmark.

But Preben Lange said that as long as Greenland is in EC the ocean and the underground areas belong to EC because the Treaty of Rome stated that nations should divide their resources equally. By leaving EC Greenland would obtain the rights to both living and nonliving resources, he said.

Greenex

When the Danish state gave the concession to Greenex it was established that we would have to wait 10 years before Greenland could get a reasonable fee. "We must be negotiating partners ourselves but in EC it is always EC," said Preben Lange.

"The national council should definitely be included in negotiations on Greenex. We are also negotiating partners in EC. And with EC behind us we have more strength than we would have without it," replied Chemnitz.

Preben Lange revealed that Siumut has made an estimate that shows that for each krone EC pays in subsidies to Greenland and EC fishermen, especially the West Germans, earn 3-4 kroner in Greenland waters, but Chemnitz rejected the validity of the calculations because they did not take fishing costs into consideration.

Both Atassut and Siumut expect to use more than half a million kroner on the election campaign. Chemnitz said 200,000 kroner had already been collected through contributions in Greenland and in Denmark. "We don't know where the money comes from and we would rather not know," he said. He said the democratic, liberal and Christian democratic groups in the EC Parliament had wanted to support the Atassut campaign. But it was not made clear at the meeting whether the support took the form of documentation and the like or whether it also included money.

Siumut is collecting its own money in Greenland and in Denmark but has been promised support from such sources as the People's Movement Against EC and the "greens" in West Germany, Preben Lange said.

6578

CSO: 3106/23

PEACE MOVEMENT SEEN AS 'GRASSROOTS' DEMOCRACY

West Berlin DER TAGESSPIEGEL in German 18 Oct 81 p 1

[Article by J.B.: "The Challenge"]

[Text] There is no doubt that other Western nations are again viewing the Federal Republic of Germany with concerns which they had thought in recent decades to be no longer necessary. In some instances these concerns go so far as to ask whether the present German government — and any other that may follow — can be capable of any political action at all in the face of what the peace movement is now articulating. Of course it is not that those around us shrink from the word peace — this would mean living with the idea that only bellicose nations and statesmen were on all sides. The disturbing thing is the specific phenomena that are flowing into this peace movement. On the one hand there is the utopian-illusionary element, or the assumption that peace can be brought about by design and as an idea, with no requirement for any concrete, practical policy that must, after all, include a concern for the military balance if peace is to be safeguarded in the real world. Very closely related is the withdrawal attitude, or the idea that one need only remove oneself from political realities, extricate one's country from commitments and also objective compulsions in order then to live more safely, unthreatened. The third point is this: Wherever the peace movement is becoming a real phenomenon, it is becoming one-sided, no matter how much it claims to be against armament policies in both East and West. For knowing full well that requests alone will accomplish nothing in Moscow, the movement demands chiefly that the West cease and desist, assuming that it is exaggerating its own security needs out of a desire for an arms buildup.

Even more perplexing to foreign observers is that many of these concerns are not even being acknowledged. Of course, they are being expressed by degrees — more explicitly in some quarters, more tactfully and discreetly in others. But the fact that they are not being acknowledged as feasible and justified concerns, that the interests of other nations are no longer being included in the world of thought and ideas, is adjudged to be an added element of crisis. It shows a sudden insularity of political thinking, a me-first mentality that is quite frank as well as outspoken. So there is a quarrel with the Federal Republic; once again there is doubt about its ability to be master of its fate politically — in terms of weighing and balancing.

It must not be forgotten in this regard that the confidence of the world around us in the political talent of the Germans has not been in existence very long. If

doubts have been suppressed with respect to the FRG, it is due to two significant political achievements which it has produced in the course of its history. The first: It recognized early on that neither isolated efforts by the Germans themselves nor a kind of historical concerted action would very soon bring the German nation to the point of reunification. It consequently turned to the West, subscribed to the idea of European cooperation and joined the ranks of the Western defense alliance. And the second achievement was this: At a time when international political conditions were favorable, it put its relationship with the East in order on this basis; it decided to establish an ordered *modus vivendi* with the Soviet Union, with the states of Eastern Europe and the GDR as well. So the policy of the Federal Republic suddenly had two legs on which to stand. If only the pace remained properly regulated, it had to be in a position to bring its interests well in line with those of others; it was accorded international political influence — sometimes encouraged even beyond what was desirable. Now there suddenly seems to be an absence of confidence that good policy can be made on this basis, that our own ideas can be brought to fruition.

Typical of this is the lack of understanding being encountered by the NATO two-track resolution — a resolution that symbolizes exactly the two pillars of German policy. It contains the decision to eliminate a medium-range weapons imbalance that has developed at the expense of the West, employing NATO's own efforts if no other way is possible. On the other hand, it contains the offer to the Soviet Union to negotiate on this range of weaponry, with the goal of arms limitation or possibly disarmament. It can even be said that this negotiation goal is the real theme of the NATO resolution; it is to be an instrument for simply setting in motion negotiations covering an entire spectrum of weapons which — in contrast to strategic weapons or conventional troop strengths — hitherto have never been the object of talks between the major powers, which is why the development of these weapons was allowed to go uncontrolled, especially on the Soviet side. The political goal is to establish equivalency at the lowest possible level. Simultaneous prerequisites for this in the West are both a willingness to act and a will to negotiate. It is of course no coincidence that it is precisely Chancellor Schmidt who was virtually the architect of the NATO dual resolution — Schmidt, who has a keen sensitivity when it comes to handling the two basic elements of Germany policy: namely, binding ties to the West and an openness with regard to a sensible relationship with the Soviet Union. The fact that his position in particular is no longer understood by many indicates how far removed from reality the tasks of safeguarding peace have meanwhile become.

Impartial American observers now concede that the initial rhetoric of the new U.S. administration allowed doubts to arise at first regarding the American desire to negotiate. Its initial actions did not keep to the precept once formulated by Henry Kissinger, according to which the United States should always be so strong that its allies could rely on it, but it must also always appear capable of dialogue and willing to negotiate in terms of the East-West relationship, so its allies would have no fear of the irresponsible use of this strength. Curiously enough, the anxiety evoked initially by the violation of this precept has not been countered by the conviction that the United States, as a democracy, has at its disposal an ample system of checks and balances that forces the correction of any excess, if indeed it does not effect a correction within itself. Thus, in reality a general mistrust of America is indeed to be found in the present movement, and the form that it takes is a sudden lack of confidence in democratic regulatory processes.

Something quite similar can be observed when the peace movement appeals to and turns against its own government and the policies supported by a wide majority in parliament. The peace movement -- at least at the moment -- is an unformed political force which is making no attempt to conceal its mistrust of political forces that do have form. As a mass movement, it considers itself a kind of "grassroots" democracy which ought to step in for the formed political and parliamentary forces and their government and take the cause of peace into their own hands, since this cause is too serious a matter to be left to these forces. So here as well there is a lack of confidence in the election and selection of political forces in a democratic state, in the decisionmaking and control processes provided by this state. To that extent we actually have here before us a challenge to all political institutions, and these concerned questions must be understood if this challenge is to be weathered.

7458

CSO: 3103/82

SPD, FDP AGREEMENT ON ECONOMY MEASURES SEEN AS COMPROMISE

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 29 Oct 81 p 1

[Article by Friedrich Karl Fromme: "State of Suspended Animation as Permanent Solution"]

[Text] The relapse is generally taken more seriously than the illness, and often it is more serious. But the Bonn coalition is standing before new abysses which, in an oddly conceived attitude of detached reflection, are benevolently being termed "budget gaps." Fine; they talk about it among themselves, they find nothing especially good about it, but they are certain that a solution will be found. Next to this determination, the form which the solution is to take seems almost incidental.

Both partners in the coalition, the SPD and the FDP, had limited themselves to being selective in the "Financial Rehabilitation Operation I." Spending was cut a little, and taxes were raised a little -- on the fringes and in roundabout ways. No one was actually supposed to be hurt. FDP Chairman Genscher succeeded in starting a rumor to the effect that the SPD had given in, that the FDP had even managed through persistence to gain a "change in trend": away from an excessive welfare state -- which, to be sure, the FDP had allowed to take its course for 10 years. Genscher and his FDP came in handy to many people in this regard. Coming as an aftereffect was Schmidt's illness, which for several days made it appear to the unsophisticated observer as though Genscher was the real chancellor -- therefore the FDP was the party that was running the government.

Thus the erroneous opinion spread that the FDP, as the much smaller partner in the coalition, had gotten its way on all essential points in the matter of the so-called economy measures. In truth, however, both sides blocked each other in what they actually would have wanted to do if they had acted in accordance with their ideologies (if it can be said that the FDP has one) and with the requisite consideration for their respective voters. Because of FDP opposition, the SPD was unable to resort to massive and direct tax increases. Never mind all the nonsense about a change in trend, the FDP did not succeed in eliminating holes in the "social net" that are susceptible to abuse. Not forthcoming were waiting periods for continued wage payments or perceptible limitations on the abuse of unemployment benefits.

So each side is confronting the other with a "no" that is blocking the two recourses that are theoretically possible. It is true that the public has a short

memory, and that everyone tends in the end to find the circumstances of his life to be not so bad after all. But the FDP, whose chairman Genscher only a few weeks ago used the expression "deader than dead" to describe the SPD's desired increase in direct taxes, cannot now be so quick to come around to a "yes" on tax increases. The means to find a different, better-sounding term for the worn-out "supplementary levy" cannot be so swiftly employed. The SPD, on the other hand, stands there with its "no" on what it calls "rents in the social net." Again the only way out is the bigger national debt that both sides had so emphatically forsworn.

Whenever something is to be withdrawn from areas where social security has turned into excessive security, policy falls into the morass of new difficulties. For when it comes to cuts -- whether in family allowances, housing allowances or unemployment aid -- it is easy for the state to slip into a spot where that which is no longer handed out on one tray is taken off another -- the one belonging to social assistance. Then, however, it is up to the Laender to pay (by way of the municipalities) -- and that means all of them, regardless of which party is in power. The Bonn coalition is in just as difficult straits with Rau's SPD-only government -- even though the latter is restrained in its comments -- as it is with Strauss's government run only by the CSU. This wretched situation goes back to the old failure to cease having the claim to "social assistance" -- as the onetime "welfare" system was renamed in the wake of reform -- appear to be an exceptional case calling for thoughtful consideration rather than almost the result of a free choice accorded everyone to decide whether or not he wished to provide for himself. The coalition parties do not want to admit to this lapse -- not even the FDP, which is so fond of talking about achievement and its just reward -- a lapse that was committed amid the approving silence of even many Union politicians in the euphoria engendered by an apparently never-ending abundance.

Present-day politics has the advantage of being able to withdraw into a fox-lair network of "purely technical" points. The first attempt to "economize" -- an attempt that was already behind the times after but a few weeks -- contains many a hidden tax increase caused by the abolition of relief from a tax burden that has grown to unbearable levels. While the FDP was making noises about a change in trend, it was having to pore over many an unreasonable demand that came down hard on its electorate -- the upper-level white-collar employees and smaller-scale self-employed. The FDP no longer has any leeway for giving in silently to this kind of thing. It ought to try to get the SPD to make what the politicians call the "slash in the social net." But the SPD leadership cannot afford to do this. So the only thing left to do is to prolong the stalemate on the coalition's chess board as long as possible -- neither declaring the game to be over nor lining up the pieces all over again -- talking about recourses "unconditionally," but at great length. In other words: The condition of being suspended above the abyss must be presented as a solid solution as long as the public is willing to believe it; only a plunge into the abyss would constitute conclusive proof to the contrary.

7458

CSO: 3103/83

WEAK POINTS BEHIND APPARENT STRENGTH OF COALITION NOTED

Munich SUEDEDEUTSCHE ZEITUNG in German 23 Oct 81 p 4

[Article by Robert Leicht: "The Coalition Is Living Off Its Weakness"]

[Text] When it comes right down to it, one can only marvel at the fluctuations of political mood in Bonn. In the first part of September, the social-liberal coalition threatened to break apart over the matter of clearing up a few money items left over from the summer's austerity week. Now, only a few weeks later, the closing of a gap that is 6 or 7 times as large -- in the billions of DM -- is being approached as though it were a normal, everyday transaction. One may confidently assume in this regard that even then all the participants were fairly aware of the budget risks that any future development would involve.

A retrospective glance therefore shows how unthinking Hans-Dietrich Genscher, Guenter Verheugen and Otto Graf Lambsdorff had been in the middle of August when they launched an all-or-nothing game that had been coordinated neither with the party nor the parliamentary group, and whose outcome had also not been calculated: They drove right into a tunnel from a dead start, so to speak, without checking to see whether there was a way out. Moreover, it now turns out that the maneuver of early fall had comparatively little to do with putting the budget back on a sound basis; rather -- quite apart from the object of the negotiation -- it was designed to expand in one fell swoop the FDP's latitude in terms of coalition policy -- indeed, possibly to effect a repolarization.

The present air of (pseudo-) calm can be explained in part simply by saying that the FDP wants this latitude very badly -- because the party has virtually none. Moreover, it has diminished rather than grown since last summer -- a situation that does not simplify the matter for any of the participants. Probably no one perceived at the time what would have happened to the FDP if the moves in the direction of a split had taken on a life of their own 8 weeks ago -- and today only conjecture can produce some notion of what that result would have been. For the moment, however, Genscher has aroused the opposition of sleeping dogs in his party. He is regarded as the propagandist of the plain and simple "shift," with this term putting one in mind only of a general change in party policy, but with no real concept behind it. Added to this is the fact that a simple pronouncement regarding shifts has meanwhile not been enough to bring the budget under control either structurally or economically.

Moreover, things that have happened regionally to the FDP (from Berlin to Mainz and Saarbruecken to Nuremberg), as well as controversies on various themes extending all the way to peace policy, have shown that the rank-and-file — which their chairman might order to execute a pivoting maneuver — are not so powerful and united. Adding in the fact that Chancellor Schmidt, because of his operation, is enjoying at least for a time the period of grace accorded to one who is convalescing — a period that only the most perfidious blackguard would dare disregard — it is obvious that the coalition's present strength lies in the accumulation of its weaknesses.

Insofar as budget policy is concerned, the shackles of an informal all-parties arrangement resulting from a shared responsibility in the Bundesrat and from the volume of problems have bound the Bundestag parties so closely together that at present absolutely no major shifts are possible inside this web. For this reason alone, it is obvious that right now the opposition would like to postpone the final decisions in the hope that spring will bring back a more explosive tone in the coalition.

Admittedly, time is again working somewhat to the advantage of the coalition as well during this brief grace period: It was not in vain that Willy Brandt had asked in the coalition talks at the end of August for understanding of the fact that the SPD still needed time to adjust psychologically to the difficult austerity measures in the budget. Although the most recent statements by the Social Democrats do not actually sound as though they have made much use of this lull, they were probably issued with an awareness that an all-parties arrangement can, without loss of face, strike compromises that could not be swallowed within the coalition itself.

Of course, if we look somewhat further, into next year, we see a gloomy picture all over again. The reason is that the date of the Hesse Landtag elections is tormenting Hans-Dietrich Genscher like a nightmare, for the Berlin result might be repeated in Wiesbaden. Entry into the Landtag by the Greens (and with more mandates than the FDP) would not only unhinge the SPD/FDP coalition. The CDU could also become so strong that it would simply no longer need the FDP as a playmaker. It is no wonder that Genscher is making every effort to sound out every possibility of making the play in advance, especially since a CDU government in Hesse would in itself totally cripple the social-liberal federal government by way of the Bundesrat.

The FDP has every reason to be nervous — a mood which necessarily carries over to the coalition as a whole. But this has been and still is the FDP's strategic dilemma: In certain situations it can exert a determining influence, but as things stand it cannot be the one to bring about the situation. Of course, not even the most subtle of tactics will be of assistance here; only a convincing policy can do that. There is still time to demonstrate this in the budget crisis.

7458

CSO: 3103/84

KARJALAINEN DISCUSSES FOREIGN POLICY, PRESIDENTIAL RACE

Helsinki SUOMEN KUVALEHTI in Finnish 23 Oct 81 pp 44-46

[Interview by Antti Blafield with Ahti Karjalainen: "Touring the Precincts, Giving Speeches, Losing Weight and Giving Up Alcohol: Ahti Renewing Himself," date and place not specified]

[Text] Ahti Karjalainen is the presidential candidate of the Center Party leadership, although names have not been mentioned officially and no one has yet been asked.

As if to order, Karjalainen's aphoristic book came out in the fall, he himself went to Switzerland "on a holiday," he is touring the Center Party precincts' 75th anniversary celebrations, and he has lost weight.

What is this new Ahti all about?

The meeting started a few minutes later than the set time. Ahti Karjalainen's secretary Riitta Toivanen came in to express a wish that we wouldn't concoct an offensive story. "No presidential games."

As the door of the acting chief director of the Bank of Finland opened, the reason for the delay became clear: the SUOMENMAA chief editor Seppo Sarlund stepped out, with Ahti Karjalainen's fresh book "Kotimaani omi Suomi" [Finland Is My Home Country] in his hand. It was Sarlund's third personal copy already. "But I guess I will be able to draw deeper insights out of it now that I have a signed copy."

Acting Chief Director Ahti Karjalainen wanted still to make the rules of the game clear: "And I will then myself be allowed to read what you report I say. That's what's usually done. I also would not want the editorial office to make additions which will cancel out my words."

Iffy-ing

[Question] If you are called upon to become a presidential candidate, will you be available?

[Answer] I will not answer these iffy questions, since I have not been asked yet.

[Question] What is your opinion of the allegations that the 1973 exception statute was made in order to prevent your candidacy?

[Answer] I didn't even want to be a candidate. I was myself one of the advocates of this statute. It is quite a different matter that others have kept bringing up my name for at least 15 years now. I have myself been busy with other work.

The press always imagines they know much more about our thoughts than we do ourselves. They seem to have no qualms over putting words and thoughts into people's mouths. All media people should find a cause for moral selfscrutiny in connection with how much room is given to free fantasizing of this sort.

[Question] But you yourself have not disclaimed such allegations very eagerly, at least not lately?

[Answer] How can you disclaim them? Nobody has asked me to become a candidate in the past, nor officially at this point either. It is difficult to disclaim what does not exist.

Experience

[Question] You have stated that there are few positions in Finland where one can attain experience in foreign policy. Does this mean for example that the prime minister is not in such a position?

[Answer] It depends very much on the interests of the prime minister, on how much time he devotes to foreign policy. It is in the nature of things that he is quite involved in matters of domestic and economic policy.

However, Kekkonen for instance devoted quite a lot of time to foreign policy when he was the prime minister. In later years, Paasikivi was already an old man, and Prime Minister Kekkonen participated quite a lot in the preparation of foreign policy decisions. But it is naturally the foreign minister who is primarily in charge of these matters.

One can of course get foreign policy experience in different organizations, for example in the Paasikivi Society, Finland-USSR Society and in the Defenders of Peace.

[Question] This statement has been interpreted as an illusion to Mauno Koivisto.

[Answer] I am not alluding to anyone. I only mentioned ways in which one can acquire knowledge and experience in foreign policy. It appears realistic to say that the most experience can be acquired in positions where one has to involve oneself in the preparation of foreign policy platforms.

[Question] You are the Second Republic's longest-standing foreign minister. Are you therefore the most qualified presidential candidate?

[Answer] I did not say that. And I am not the right person to discuss this with, others should reflect on that.

Achievement

[Question] What do you regard as your most significant achievement as foreign minister?

[Answer] It is of course most significant that during the period I was foreign minister, we were able to solve all problem situations so that we live today as we do. We did go through some stormy periods: for example, the beginning of the 1960's, the Honka coalition period and the period after that.

I see as the most positive achievement the 5 to 6 year period when I took part in the preparation of the European Security and Cooperation Conference and in getting it to take place in Finland. I felt great pleasure at the fact that 35 nations gradually came into agreement and that we organized in Finland first the prime ministers' meeting, which I hosted, and then in 1975, the summit conference, which President Kekkonen hosted. It was a long epoch about which one could still write many books.

[Question] So you will have a new book coming out also next fall?

[Answer] I did not mean that, not that I myself would write them.

Role

[Question] Could Finland today take the same role it took in the ETYK?

[Answer] Not the same one, because the circumstances are not the same; but Finland must be active in all realistic peace enterprises, also for its own sake.

[Question] What should Finland's foreign policy be in the increasingly tense international situation?

[Answer] As far as Finland is concerned, the situation is good, and that of course is a proof of the fact that our foreign policy line has been correct. However, in foreign policy, no situation is final, and tomorrow is always different from today. The basic situation is always determined by the geopolitical facts of Finland being situated where it is.

[Question] Your book "Kotimaani omi Suomi" gives the impression that you are tired, and a pessimist.

[Answer] Being tired is not the same as being a pessimist. I don't feel tired, but I refer in the book at least to some pessimists, for example Mika Waltari. He hardly is the only pessimist when we think of the arms race and its continuation. It can lead to nothing else but a worried state of mind. But nobody has the strength to go on living if one is not basically an optimist and if one does not believe that reason will win out at the end.

Debate

[Question] What is your opinion of the ongoing presidential debate?

[Answer] It is being conducted on many levels, factual and less factual. I suppose that is unavoidable. One can only hope that a reasonably factual level can be maintained. It surely will be to the whole country's advantage.

[Question] Has the vehemence of the debate surprised you?

[Answer] Well, I don't know if it has been so vehement, but it certainly has contained some hysterical elements. It has been excessive, since nothing all that extraordinary has actually occurred. If the debate gets too overheated, the shots can easily go wide of the mark.

[Question] Is the discussion of the Honka coalition's resurgence going wide of the mark?

[Answer] It is useless to compare the present situation with the past, since the times are so different now.

[Question] What should we discuss then?

[Answer] As far as I can see, we should discuss the duties of the president, the demands of the presidency, what this post involves and what it does not involve, and then of course the substance of politics. It is not much of a discussion if we discuss whether we should have a discussion at all. At least partly, we have so far discussed what needs to be discussed and what doesn't. This alleged discussion has dealt with foreign policy, but one should be able to discuss the substance of foreign policy, because, according to the constitution, it is the president who decides the relations with foreign powers.

Power

[Question] Is the discussion on restricting the presidential powers and the length of office now necessary?

[Answer] I cannot say what is the right time. These matters can of course be discussed any time. They have been discussed earlier too, but this has not led to any results.

[Question] What is your personal stand on restricting the powers and the length of office?

[Answer] There must be especially weighty reasons to start changing the constitution. The older I have become, the more respect I have felt for those people who formulated the constitution at the dawn of our independence. It is one of the few constitutions in the world that has withstood all the pressures of time.

[Question] Do you see any such special reasons now?

[Answer] No, I don't.

[Question] Does this also apply to the section where it is stated that the prime minister will act as the surrogate president?

[Answer] I don't see why this would not be natural. The present arrangement is quite functional. This is just a passing state of affairs.

[Question] The history of Finland has an example of a sick-leave that lasted over half a year. It is quite a long period to be "just a passing state of affairs."

[Answer] The Paasikivi-Mannerheim situation passed too, and everything went well. The situation would not be any different if the speaker of the parliament was the acting president. He would then be kept from taking care of the speaker's duties. In that respect, the situation would not change.

[Question] However, the speaker might more easily have a substitute since he has two deputies.

[Answer] The prime minister too always has a deputy. I cannot see that there would be any insurmountable difficulties here.

Alcohol

[Question] How do you feel about the talk of your difficulties with alcohol?

[Answer] It is already a case in point how much everyone knows of my so-called alcohol problems. It has been a kind of tittle-tattle. I stopped using alcohol about half a year ago, so nobody needs to worry about it any more. Besides, I don't think that I have had worse difficulties than many other people in politics.

[Question] How come you alone have been at issue then?

[Answer] Maybe because I have been in the public eye for so long. I am examined closer than many others. I feel that I have not been the worst of the heathens.

[Question] Has this talk had a whiff of a political chase about it?

[Answer] Of course, that is a fact of political life too, this is no secret. Rivals and opponents exaggerate and make matters worse than they are.

[Question] What is your opinion of the claims that the court sentence renders you unsuited to take care of the presidential duties?

[Answer] That is a matter for people to decide. It appears that there is no particular precedent for this matter. It is a question of what each person considers to be important in connection with any particular office.

[Question] Your private life has often been dragged into the limelight. How do you feel about that?

[Answer] I don't approve of, for example, drawing the family into matters of this sort. We all have our work, and the family has nothing to do with these matters. In my opinion, interference with private life is often rude, vulgar and excessive, unless the person himself encourages it. Usually, the object of this can take it, but it tells more of the level of those who resort to using these means.

In our family, we have always tried to keep the children away from the public eye. We have started from the premise that they are not political mannequins but have their own lives.

[Question] What have been some of the great disappointments in your career?

[Answer] Whatever post I have been in, I have had my hands so full of work that I have not had time to be disappointed. I have generally not kept on mulling over disappointments for a long time.

[Question] What is your opinion on the reviews your book has received?

[Answer] I have noticed that the reviews are quite a lot mixed up with considerations of the present political situation. When I started to work on the book I had no idea of the circumstances in which it would appear. It has not been critiqued so much as a book but more as a political product.

[Question] Could a politician expect anything else?

[Answer] I don't know about expectations, but that's how it is.

9571

CSO: 3107/16

POLITICAL CHANGES IN ADMINISTRATIVE POSITIONS PLANNED

Athens I KATHIMERINI in Greek 1-2 Nov 81 pp 1,3

[Report by Nik. Emm. Simos: "Changes of Officers in the Administration Unprecedented in Extent and Depth"]

[Text] The PASOK [Panhellenic Socialist Movement] government is making the public administration partisan to an extent and depth which is unprecedented, accuse factors of the official opposition. And they note that the sole criterion for the mass replacements is not just the political conviction of those removed but mainly the depth of party attachment to PASOK of those newly appointed to the state machinery. This emerges from the fact that the new government is indiscriminately replacing or demoting hundreds of administration officials who had been employed by "New Democracy" [ND] using meritocratic criteria, even though they did not belong to its party arena. The phenomenon, according to the same estimations, is already causing a very active uneasiness which relates not only to the normal functioning of the state machinery but also to the eventuality of erosion of the democratic principles which must govern it.

The government is trying to refute these charges, which are based on real data, with the argument that the purpose of the mass replacements is to appoint persons who will better apply--in "a spirit of party identity"--government policy. Anything but such a good intention is revealed, however, by--aside from the crushing replacements--the way which was chosen to "renew" the state machinery, says ND in contradiction. This is because in addition to the normal--in certain cases--replacement of "rivals" by party friends, thanks to the sensitivity shown by those resigning from the head of public organizations, there are cases of forced resignation, actions which do not always come from the administrative or supervisory board, but often are an "excusable initiative" of pressure groups.

As examples of forced resignation, the ND circles cite the letter which was sent, according to information, to EOT [Greek Tourist Organization] by the new minister to the premier, M. Koutsogiorgas. In this letter, in a rather strong tone, he calls for, "from receipt of this letter," avoidance of undertaking every contractual commitment, executing the proper programming and convoking the official councils. In essence, the letter rendered the EOT heads jobless and forced them to resign, since the government's distrust of them was being directly shown in such a way.

In a letter similar to that of Koutsogiorgas, Minister of Social Services Avgerinos, in the frameworks of replacing hospital administrative councils, forbids the

convoking of official councils as well as appointments, even though the administrative councils are qualified by law to make appointments. As is supported by ND circles, because of the "extreme objectivity of former Minister Doxiadis," there were on the administrative councils of many hospitals members opposed by party to the government faction of that time.

More General Effects

In addition, from another side it is noted that the methods being applied, whose purpose is the greatest possible, in extent, infiltration into the state machinery by PASOK, have justifiably aroused the fear of tens of thousands of employees who do not know to what point the "restructuring" could reach.

The fact that a significant part of the public employees made a "loud-voiced" party switch after the elections is probably not accidental, as Koutsogiorgas himself observed. Many feel that in this way they are safeguarding their service careers. Even though this is a customary phenomenon, it does not stop revealing the fear that partisanizing at high rungs might also touch, directly or indirectly, the unsuspecting, but party-opposed, employee.

In fact, the replacements in the leadership of public services and organizations could transfer partisanizing in depth within the public-employee class, with all the consequences of partisan confrontations and "in service" discriminations.

Certainly, such a thing is also dependent on the way in which the new heads will carry out their duties. But the projected party discipline, which surely touches all those entrusted with application of the government line, could undoubtedly influence the objectivity of the newly appointed presidents, general directors and administrative councils.

In addition, Koutsogiorgas' calling meritocracy an element of the announced "Pentagon of targets" for the public administration will certainly be put to the test.

What the Opposition Says

Because of this extensive effort for "change" in the public administration, today's official opposition maintains that if the rapidity of the replacements exposes the government to well-founded censures for partiality, it is unacceptable for the unsound charges which PASOK tried to impute to the former government to be used today as justification for placing party friends in all the positions.

As examples of meritocracy and its objectivity, the present "New Democracy" official opposition cites a series of names of factors of public life who were employed by its governments despite the fact that they were opposed by party. ND indicatively reports the following cases:

1. The present PASOK minister of urban planning, housing and environment, A. Tritsis, to whom ND governments had assigned urban planning for Athens and Kania.
2. The present secretary general of the Ministry of Coordination, G. Roumeliotis, who had been engaged in the EEC services of the same ministry.

3. M. Angelopoulos as a governor in DEI [Public Power Corporation].
4. Ang. Angelopoulos as a governor in the National Bank.
5. Poulakos as a deputy governor in the National Bank.
6. Ad. Pepelasis as a governor in the Agricultural Bank.
7. Professor V. Filias in the Social Research Center.
8. Karakatsanis, who former Premier K. Karamanlis had made a governor in IKA [Social Insurance Foundation]. Karakatsanis is also now being reported as a candidate governor of the foundation. The fact that the former premier chose a man of a clearly opposite stance for a large organization like IKA is characteristic of the criteria of meritocracy, not partisanizing, which the ND governments used.
9. Kharissopoulos, deputy governor of the Bank of Greece.
10. A. Livieratos who was deputy governor of DEI for four years.
11. N. Pepelasis, former general director of the Organization to Promote Exports and then of "Greek Exports" Inc.
12. N. Kyrtatos as general director of Olympic Airlines.
13. K. Khondros in ERT [Greek Radio and Television].
14. M. Petropouleas as governor of OTE [Greek Telecommunications Organization].
15. Sp. Soulis as general director of OLP [Piraeus Port Authority].
16. The nomarch of Zakynthos, Th. Vgenopoulos, brother of the PASOK Euro-deputy, who was never bothered for seven years.
17. Former Nomarch Papazarkadas who had remained in his position for five years before resigning and never stopped creating various problems for the government throughout his time of service.

To these names the official opposition also added 12 other present and former nomarchs who were employed by New Democracy governments using criteria clearly above party interests, although it was nearly certain that they were not on friendly terms, by party, with its faction. These nomarchs are G. Theodosios, Th. Bekhrakis, G. Kharalambopoulos, A. Khambipis, K. Kritsinis, A. Karangounidis, D. Kokkinakis, G. Giannopoulos, Z. Tsoungarakis, Tsitsaras, K. Papavlassopoulos and V. Anastasiadis.

In total, ND estimates that it employed approximately 100 officers in the State, the organizations and foundations, using criteria clearly meritocratic and above party interests.

The Present PASOK Officers

To these indicative examples, the present official opposition also adds the cases of G. Varfis, former director general in the Ministry of Coordination and now a PASOK deputy minister, and the former deputy governor of the Bank of Greece, N. Kyriazidis, both of whom had been employed, with increased jurisdictions, during the negotiations for accession to the EEC.

Further, there is reference to the cases of many senior employees in crucial staff departments of the Bank of Greece as an example of the fact that no employee was judged or received hostile treatment for party convictions.

In offering these examples, the official opposition maintains that, despite the things charged by PASOK from time to time, the public administration has not presented samples of partisanizing in its days. This is because no "adversary" was recalled, no measure was made using partisan criteria. In support of this is offered in particular the fact that many times cases of demonstrating party preferences in a provocative manner were perceived in the public-employee class. Characteristically, it is reported that the former minister to the premier, K. Stefanopoulos, had reported to the Chamber of Deputies certain examples of such cases, that is, of qualified agents of the administration who, from various positions, not only exercised party policy, but also pestered adherents of opposing factions and informally benefitted adherents of their own. "Due to sensitivity and sensibility, in order for it not to seem that we were after them, many times we left them uncontrolled," says an old minister.

"Today in one ministry alone, the Ministry of Merchant Marine, about 50 officer transfers are reported as imminent." The former minister ends: "Certainly any attempt to criticize the new government--which justifiably seeks an allowance of time--would be in bad faith, if the government itself did not provide the possibility for criticism. The possibility for such was supplied by the study of the replacements, which by itself designates the real intentions of today's government. The rate of party friends' occupying positions unquestionably exceeds the limits of allowable employment of persons suitable to the government line for its best application. Also it leads to an inexcusable blacklisting which harms basic principles of the normal and democratic functioning of the state machinery by separating the public employee world into our people and 'aliens'."

9247

CSO: 4621/46

KKE POST-ELECTION POSITION ANALYZED

Athens ANDI in Greek No 191, 30 Oct 81 pp 28-29

[Article by Khristos Kyriazis: "After Failure of the Policy of Percentages, Will There Be the Battle of Policy?"]

[Text] KKE is the "great eccentric" of these elections. Normally, in the frameworks of such an occurrence, a 1.2 percent improvement in its electoral power would be considered a satisfactory showing, ensuring a decent presence at a time when analysis of the electoral results reveals a sweeping PASOK [Panhellenic Socialist Movement] effect on voters of the traditional Left.

Despite all this, however, the psychology prevailing in KKE ranks is completely the reverse. It would not be exaggerating to call it a psychology of defeat which is being extended to the base as disappointment, despondency and a feeling of emptiness. This is certainly due to the fact that KKE shrank all of its policy into pursuit of the famous 17 percent, a target which was, in reality, apolitical.

In a few words, KKE was indifferent in its electoral tactics to the real problems posed by the elections. It set a very narrow party target when, in fact, achievement of this target directly opposed the greater issue of the clash of democratic forces to the Right. This is because, as electoral results show, its achievement of 17 percent would mean an inevitable inability of PASOK to organize a self-run government, without there being any political presumption for creation of a government of PASOK-KKE cooperation.

Furthermore, since its target of 17 percent was so clearly narrowly partisan, the KKE members and cadres could not view the removal of the Right from the government as a leading success, but rather viewed as a leading failure the non-achievement of this percentage.

It would not be exaggerating, in fact, for one to maintain that this electoral result could mean the definite end of an entire epoch for KKE, that is, the epoch of the non-political functioning of this party. Because, in reality, up to now this party has restricted all of its activity to an endless tautology which it reproduces like clockwork: "Follow me because I am the KKE, I am the KKE so follow me." And to some degree, with the crushing of KKE Interior, this tautology has lost another one of the reasons that allowed it to maintain some functionalism.

Now KKE is obligated not to talk about its existence, but to justify it. In a few words, KKE is obligated to become a party which exercises a policy, that is, a party which has a viewpoint about events and the other forces aside from itself.

The KKE's problem, however, is specifically this: that neither ideologically nor theoretically nor politically and organizationally has it developed the prerequisites for a similar turn, that is, its transformation from a party-machine to a party of political mediation.

Certainly, here and there, in articles by cadres and, more rarely, in central political mediations, even of Florakis, one can sense suspicion about the problem and uneasiness about the stagnation which is being created by the tactic of organizational self-confirmation.

However, the cemented inner-party organization and the opposition of middle cadres, especially agents of the logic of organizing, impede the productive movement of a corresponding problematization. Furthermore, the control of RIZOSPASTIS by Farakos, the "Robespierre" of monolithism, as he is called, daily educates the party in the levelling--the sole-significant interpretation--of facts, the logic of "black and white" and the deadening of criteria and conscious mediation in procedures. But all these are creating, within the new conjuncture, the boundaries of an inauspicious "ghetto" for KKE which ought to overturn it if it is interested in being freed from the odd seclusion which is reserved for it.

It should be noted additionally that, without a change in policy, it will be impossible for it to exercise opposition to PASOK, as with its present coarse analysis, either it will have to serve the Right, also opposing PASOK, or remain silent as a leftist cantor in governmental elections.

It is being said that a congress is already being prepared by an organizational committee headed by Florakis. It is rumored that this time it will be different from the previous ones and "very interesting." We shall see. Does KKE have the ability to surprise?

9247

CSO: 4621/38

D'66 PARTY HOLDS CONGRESS, ELECTS NEW CHAIRMAN

Rotterdam NRC HANDELSBLAD in Dutch 16 Nov 81 p 2

[Text] Amersfoort, 16 Nov--Saturday [14 November] the D'66 [Democrats '66] congress elected J.M.M. van Berkompas as the new party chairman, to replace Dr Zeevalking. Van Berkompas, a top official in the Ministry of Education, very surprisingly won, 255 to 235, over the present acting chairman, C. Spigt.

For another important job in the central committee, too, an incumbent had to give way to a newcomer: Pauline van Tets, the foreign affairs secretary, lost with 211 votes to 292 for N.C.M. Wegter, an official of the European Commission in Brussels.

The congress was largely devoted to internal party business, and hardly any questions on current political issues were brought up. A motion expressing regret at the lack of openness during the time of the recent cabinet crisis, of the D'66 parliamentary delegation as well as others, was rejected.

Brinkhorst, chairman of the delegation, had argued that D'66 had to observe the rules in effect with regard to cabinet formations and that in any case no information is to be demanded from an outgoing cabinet.

The congress adopted by a very large majority a motion calling upon all D'66 adherents to take part in the anti-nuclear weapon demonstration in Amsterdam on 21 November. As far as D'66 is concerned, the main rallying cry should be: No new nuclear weapons in Europe, either in the Netherlands or in any other country.

Not Unilaterally

In the discussion it was said that a substantial production of nuclear weapons may be expected not only by the NATO countries but also by the Warsaw Pact. At the demonstration, in which delegation leader Brinkhorst and the new party chairman Van Berkompas will take part, D'66 will thus not have to line up, the congress found, in favor of a unilateral rejection of nuclear weapons by the Netherlands or other NATO countries.

Terlouw, minister of economic affairs, denied in a short speech to the congress that there is disagreement within the cabinet between him and Vice Prime Minister Den Uyl. Terlouw admitted that there are differences in views on the approach to

the unemployment problem, but in his opinion that has nothing to do with any quarrel. "I have too great regard for Den Uyl personally for that, and I am too much convinced of the honesty of his intentions," Terlouw said.

The crisis in the cabinet, according to Terlouw, is not to be blamed on a wrong combination of parties, either. "Wiegel may say that the differences with the PvdA [Labor Party] are too great, but that is incorrect. The PvdA is at least trying to do something, even if it does often try in the wrong direction."

"I would rather go along with someone who sometimes gets lost than with someone who always stays at home," Terlouw said. He added that for a party like the PvdA, "which has always been used to running ahead with the flag," it is evidently still somewhat difficult to accept the fact that D'66 has now become a big party.

8815

CSO: 3105/38

NEW CABINET, AREAS OF POSSIBLE CONFLICT VIEWED

Rotterdam NRC HANDELSBLAD in Dutch 11 Sep 81 p 3

[Article by Marc Chavannes: "Fifty-year-olds prepare themselves for conflict"]

[Text] The Hague, 11 Sep--The second Van Agt cabinet has now been sworn in. This comes a full year after the new deputy prime minister J. M. den Uyl was quoted in DE TIJD as saying: "Everybody can see that our policy positions have been so far apart that everybody should view it as a political degeneration if Van Agt and I should happen to take seats in the same cabinet."

Nobody had his own way; it is not a second "Den Uyl cabinet," nor a cabinet that will carry on with the "solid economic recovery policy of the previous cabinet" (as Van Agt, the head of the ticket for the CDA [Christian Democratic Appeal], so invitingly suggested on the eve of the elections). And though it is a cabinet of the composition desired by D'66 [Democrats '66]; the path in that direction has left party leader Terlouw only with fewer illusions: he has not been able to resolve the antithesis between the Big Two, he does not get Brinkhorst in as minister of foreign affairs, and even his predecessor, a controversial party leader, has been made minister of defense.

The environmental policy so dear to D'66 suddenly winds up in the hands of "only" a state secretary.

Quality

Though the formation of the cabinet has taken an entire summer, and the cabinet sets to work in an atmosphere of armed truce, it will not be for want of talent if a falling out occurs. This time the cabinet contains no men who are being rewarded with a ministry on the basis of numerous years of service, and gone are the days of recruiting unknown but talented individuals from outside of politics--a party membership was quickly arranged for these recruited professors or business leaders.

Van Agt's new cabinet consists mainly of politicians of the first rank. In particular, the PvdA [Labor Party] comes in with about the strongest team they could field from the active party politicians: Den Uyl, Van Kemenade, Van der Stoel, Van Dam, Van Thijn, and, recruited from Rotterdam, Van der Louw. D'66 furnishes two co-founders of the party (Van Mierlo and Zeevalking) and the man who, after the group was nearly disbanded, made the idea of a fourth political mainstream into a reality: party parliament leader Terlouw.

The group from which the CDA could and had to choose was larger. Besides the preordained choice of Van Agt as prime minister, there were the former ministers with strong positions in his party, De Ruiter, De Koning, and Gardeniers, together with Van der Stee, a man particularly trusted by Van Agt, and the still rather unknown, but surely not guileless Van Dijk.

The composition of the cabinet is one of 50-year-olds. Besides the prime minister, the ministers Van Mierlo (defense) and Van Dijk (minister without portfolio, development aid) are exactly 50, while Terlouw (economic affairs) will turn 50 before long. The average age is 51.47; Den Uyl (62) and Zeevalking (59) are the oldest, Van Dam (43) and Van Kemenade (44) the youngest.

The common ties of generation and the pervasive problems in the nation will impart a certain unity to this new council of ministers, but the differing political approaches and legacies from the past 10 years guarantee a continuing conflict, which was uncommon during the years of the Van Agt/Wiegel cabinet.

"We will rush from hump to bump," one of the leaders of the new government predicted last week.

Conflict Cabinet

If it is a conflict cabinet, there is expected to be controversy--aside from possible fresh points of contention--at least on the questions of social-economic/financial policy, defense/foreign affairs, and the use of nuclear energy. Furthermore, the crisis in the financing of government programs will strike especially hard at the departments which spend particularly ample amounts of money, while Justice (which is traditionally cheap) demands extra money to maintain the constitutional state.

The greatest conflict is to be expected among Van der Stee (finance), Den Uyl (social affairs, project minister for employment, and deputy prime minister), and Terlouw (economic affairs, and deputy prime minister). Van Agt as minister-president can become closely involved in the shaping of policy in the social-economic sector, but will presumably lock horns with Den Uyl, who intends to play a leading role as project minister for employment.

From EZ [Economic Affairs,], in his function as project minister for technology, Terlouw expects to be able to give important impulses to encourage industrial modernization. The CDA and D'66 expect more recovery of employment in the market sector than from large-scale creation of jobs by the government.

It was no accident that Van Agt, also to strengthen his position in the social-economic debate, has drawn C. P. van Dijk, the financial specialist of the CDA party, into the cabinet. As minister for development aid he does not belong to the group of ministers who in the previous cabinet were called the "Specification Ministers," but within the informal cabinet circuit he should be able to do much to promote the rather coherent CDS views on this point.

Ex-minister Pais (VVD [People's Party for Freedom and Democracy]), who before joining the previous cabinet held a reputation as an advocate of sound government

financing, on the whole, as it turned out, has not lived up to the role of financial expert and staunch economizer closest to his political boss Wiegel. Likewise, the late ex-minister Peijnenburg also was not quite able to function as economic adviser to Prime Minister Van Agt.

Nuclear Weapons

Critics say that as CDA negotiator Van Agt has garnered for his party too few key posts and too many technical departments (justice, agriculture, development aid, public health). But he will not be unhappy with the fact that the complicated Dutch position on nuclear weapons will have to be carried abroad by D'66 member Van Bierlo and PvdA member Van der Stoel. The CDS, strongly divided on this issue, would only have been able to furnish political figures subject to considerable wear and tear; besides, Van Agt had no obviously suitable candidate from his own house.

The question of the new nuclear weapons is difficult energy. In the past few years Van der Stoel, with a not completely rejecting point of view, has assumed a comparatively isolated position in the PvdA party. Only his late conversion to the pure party line apparently has ensured that he again become a minister.

Van Bierlo in the first weeks of his return to the parliament has been forced to spend much time explaining about the many partial positions he took on nuclear weapon modernization while serving on the Advisory Commission for Defense Matters, one of the functions which he has handled since he took his leave of the D'66 parliamentary faction in 1977.

That his departure at that time was not for good became entirely clear from the authority that he radiated last year at the D'66 congress in Amersfoort when he defended a compromise proposal that was more anti-modernization than his own position. It was adopted and put an end to the discord with D'66.

Loyalists

From the political viewpoint, Van Agt has clearly aimed to bring strong and, in his eyes, reliable party associates into his second cabinet. The implication, in simple terms: center and right within the CDA, no loyalists.

On the other hand, Van Agt stripped the parliamentary faction of one loyalist by giving the highly principled Jans de Boer a post as a state secretary in the CRM [Ministry of Culture, Recreation and Social Work]. As a nuclear pacifist in that post, he is not a threat to the nuclear weapons policy. Besides, he has the reputation of being a good organizer.

One of the most important Vonhoff Commission recommendations which failed to be adopted is the conversion of the state secretaries into deputy ministers.

To strengthen the shaping of political decisions in broad outlines within the council of ministers, the commission pleaded for having general deputy ministers, who should be of the same political persuasion as their ministers and should be able to completely take the place of the ministers in the everyday running of the ministries.

Nothing came of this idea because of the so-called "cross-pollination," born out of a healthy distrust, whereby secretaries of state of persuasion A are placed with a minister of persuasion B to try to keep an eye on things. Thus CDA member Deetman sits on Education to see to the intermediate school problem, and to keep Van Kemenade from any attacks on Christian education. One of Van Agt's supporters, CDA member Van de Broek, as state secretary for foreign affairs can keep an educated eye on Van der Stoel's movements. Both D'66 and PvdA hope that the D'66 member chosen as state secretary for environment, Ineke Lambers-Hacquebard, will become involved with handling the abortion policy, which otherwise would rest entirely in the hands of two CDA members: Ministers De Ruiter and Gardeniers.

Ill Health

From the standpoint of publicity, the Labor Party has obtained a number of attractive posts. Van der Stoel may not be smooth, but he is probably better than his predecessor. Van Kemenade is an ardent innovator of education, especially for the disadvantaged. Van Dam can cut a good figure in urban renewal, which is finally being tackled again. And perhaps the most fascinating of all, the nimble former Vara (Association of Workers Radio Amateurs) press chief and PvdA chairman, the son of a milkman from The Hague who became the mayor of Rotterdam, Andre van der Louw, should be able to extricate CRM from the atmosphere of anxious ill health.

There is one bad thing with all these nice ministries: with the exception of foreign affairs, they are simply the "spending departments" par excellence. And of course there will no longer be any large scale spending. The result is that Van Dam will some day have to demonstrate the underside of his good fortune when it comes to raising rent or contracting out new building projects, that Van der Louw, as he has already remarked, will see his budgeted money mostly depart in the form of public assistance payments, and that Van Kemenade will have to send a sharper pruning knife to the institutions of higher education every year.

Also, Zeevalking (D'66 department of roads and waterways) will not avoid a regular increase in the price of a train ticket, at the risk of allowing deterioration of the railway system.

And what to think of PvdA's number two man, Ed van Thijn, who soon will be obliged to cut back the civil servants' salaries--Wiegel had already explained to him how to do that--and may lead the ME [Mobile United (of Military Police)] to Dodewaard? Van Agt has not dealt so foolishly with plums for the CDS such as agriculture (that is, Minister De Konig), justice, and development aid. Only Mrs Gardeniers (public health) will have to deliver an important contribution in the great retrenchment.

Eliminated

The new cabinet is missing one ministry, that of science policy. As the negotiators candidly admit, this is not because the Vonhoff Commission's proposal to that effect was so compelling, but rather to arrive at the desired distribution of ministries among the three parties.

Accordingly, a rather carefully established (decade-long) national effort to foster long-term acquisition of knowledge in the interest of furthering the development of the economy is coldly and purposefully being abandoned.

The coordination of that effort, which in France and West Germany is the very thing being strengthened, is here being eliminated without thorough consideration because of the political inexperience of the previous minister (Van Trier) and the short-term arrangements which arise inevitably in the Netherlands when forming a cabinet.

Such administrative reorganizations as result from political accidents are not new after all. The CRM ministry once owed its existence to this (and now its survival). While the removal of the secretariate of state for emancipation affairs from CRM to Social Affairs is actually the result of a conscious choice (although far from uncontroversial), the creation of the secretariate of state for minority policy at Foreign Affairs is a very carefully staged payoff for the last party leader which the CHU [Christian Historical Union] had in the Second Chamber, Drs [doctorandus] G. van Leyenhorst, who was unable to become a minister.

Finally, the cooperation between experienced CDA minister of finance Van der Stee and the youngest one in the citadel of power, 33-year-old State Secretary for Finance Hans Kombrink, is interesting and perhaps indicative.

In terms of style and life outlook the two are not directly in line with each other. On the contrary, Van der Stee preferred to browbeat Kombrink in Chamber debates. If they can now work together satisfactorily, their political chiefs can also manage for a while.

9828

CSO: 3105/181

PCE POLICY PLATFORM APPROVED AT PARTY'S 10TH CONGRESS

Thesis 1, International Policy

PM050925 Madrid MUNDO OBRERO in Spanish 16-22 Oct 81 Special Supplement pp 3-8

[Section 1 (International Policy) of theses approved at 10th PCE Congress]

[Text] World Crisis and Dangers of War

The world is experiencing a profound crisis of its system of economic and political relations, moral values and civilization. It is a crisis which is not only affecting the capitalist world, immersed in economic stagnation, unemployment and the wastage of resources, but is also manifesting itself in the socialist countries.

The profound economic crisis which the capitalist world is undergoing stems from the exhaustion of the model of capitalist accumulation which emerged following World War II; a crisis which is exposing the most marked contradictions of a system which has made clear its inability, despite the considerable development of production forces and technology, to offer the world population employment and decent wages, as well as food and social benefits such as education, health, housing and so forth.

In brief, the model of accumulation in a state of crisis and the consequent international economic order have been characterized by the following elements:

(A) A high concentration of production activity in industries heavily dependent on energy and raw materials--industries in which the creation of jobs is very expensive.

(B) The availability of abundant cheap labor resulting from women's involvement in the production process, the rural exodus to the cities and the migratory currents of workers from the poor countries to the rich or more developed countries; all this within a context characterized until 1960 by the difficulties of the workers' movement during the cold war period which enabled the capitalists to keep wages very low and, at any rate, lagging behind the increases in overall productivity.

(C) An imperialist system dominated by the United States, based on an international financial superstructure which turns that country into the banker of

the Western world. The Third World has been a supplier of energy and raw materials at low and stable prices and of cheap labor, at the same time being a guaranteed market for the advanced countries' industrial development. For its part, the international monetary system made every possible international financing operation dependent on the dollar, facilitating the investment of U.S. capital abroad and enabling the United States to impose restrictive incomes and development policies on any country which deviated from the rules imposed by the imperialist center.

(D) An economic policy to tackle the capitalist system's partial and recurring crises based on wage restraint, increased public expenditure and increased exploitation of the countries of the periphery.

(E) The arms race, which has been stepped up over the last few years until it has reached appalling figures, which constitutes an important factor in the international process of inflation.

The current crisis is not an isolated phenomenon but the outcome of a process whose most important landmarks are: 1) The rise of the liberation movements in the Third World and its increasing control over its raw materials; 2) The resurgence of the workers movement at the beginning of the 1960's in the capitalist countries; 3) The loss of absolute U.S. hegemony in both the economic and political fields; 4) The slackening of the construction industry's growth rate in the middle of that decade, and, last, the oil crisis unleashed from 1974 onward.

The crisis and its consequences of simultaneous high levels of unemployment and inflation have upset the basic balances of the model of accumulation which has been described, making clear the irrationality of a system lacking planning in which the private ownership of capital is increasingly showing itself to be incompatible with the social and universalized nature of production, and which the scientific and technical revolution is incompatible with the machinery for the distribution of income and wealth inherent in capitalism.

It is a system which in order to survive maintains neocolonialist relations with many Third World countries, which are subject to hunger, want of every kind and cultural and political subjection.

In view of this crisis, capitalism needs to set in motion a new process of accumulation which involves both the domestic and international strengthening of authoritarianism and an increase in the objective dangers of war. In fact the relaunching of accumulation, from a capitalist and conservative viewpoint, needs in order to succeed an appreciable reduction of trade union strength and, in general, of the strength of all the people's forces--a reduction which will overcome the internal resistance in each country to a recovery of profits based on wage control, increased unemployment, the worsening of working conditions and failure to protect the unemployed, pensioners and so forth. But it also requires curbing the process of liberation of the Third World countries and consolidating the bipolar sharing out of areas of domination and influence in the world, encouraging the escalation of local wars (Africa, the Persian Gulf and so forth), the consolidation of the military blocs and the arms race.

[PM050927] These are military blocs and an arms race which are helping to increase the importance of the military elements in states, at the same time as increasing the importance of these factors over those supporting the civil power in the conduct of national and international policies.

Because of all this, a progressive policy to tackle the crisis must necessarily proceed, as a fundamental premise, from the struggle for peace, disarmament, world detente and the surmounting of bipolarity.

For a Broad Front of Struggle for Peace and Disarmament

At the beginning of the 1980's, the struggle to dispel the threats of a third world war (which would mean the suicide of mankind), defend peace, return to an atmosphere of detente or dialog in international relations and end the arms race is becoming the decisive issue for the communists, the workers and revolutionary movement and all the progressive forces.

In view of the world crisis and the considerable progress over the last decade of the liberation movement of the peoples formerly colonized, the most reactionary sectors of imperialism are aiming at increasing their military power, and intensifying their policy of interventions, acts of aggression and oppression, either openly or with indirect methods. Reagan's election has intensified the predominance of the trend toward aggressiveness, U.S. arrogance, tensions, rearmament and the strengthening of the policy of blocs and division of the world into areas of influence, and is already giving rise to clear acts of interference in Central American countries--in particular, El Salvador.

Imperialism, which by its very nature tends to dominate other peoples and exploit them for its own advantage, to conduct a policy of threats and pressure through military, economic and political means and to carry out a whole series of intrigues and conspiracies to ensure for itself weak and servile governments, is the greatest danger to peace and the peoples' democratic progress.

Vis-a-vis imperialism, the Soviet Union and its military power have represented and represent an undoubted curb, as was seen in the instance of Cuba, and an assistance to the victory of Vietnam and of other peoples of Africa and Asia in their struggle to free themselves from colonialism. However, objective reality forces us to recognize that there are negative aspects in the Soviet Union's foreign policy, and, specifically, manifestations of big power policy, which are clear in the instances of Czechoslovakia and Afghanistan and in acts of interference in other countries' internal affairs. Our criticism of these aspects of Soviet policy falls within the framework of a communist stance aimed at defending peace and the peoples' independence and the world prestige of communism's great ideals.

The existence of two military blocs--on the one hand, NATO, and on the other hand, the Warsaw Pact, irrespective of their historical origins--represents in itself an extremely grave danger to peace and a factor which limits, if it does not eliminate, the nations' real independence.

The PCE does not accept that the class struggle at the international level is manifested in the confrontation of those two military blocs--NATO and the Warsaw Pact.

That conception leads inevitably to the conclusion that either the class struggle will be resolved by means of a third world war, or else it is necessary to subordinate the development of the class struggle in the other countries to the agreements reached by the two blocs.

Under the first of these assumptions, in view of the development of modern weapons, the war would bring not the triumph of the oppressed classes--but the destruction of mankind.

Under the latter assumption, we communists in the developed capitalist countries would be doomed to stagnation and retreat, as to some extent could already be happening now.

For that reason the PCE believes that the defense of peace, the people's independence and the possibility of progress toward socialism depend on the simultaneous dismantling of the military blocs and the disappearance of the military bases abroad, both in the West and in the East.

That aim is being placed increasingly on the agenda because in the present-day world, new and powerful factors--economic, political and ideological--are emerging and developing, which are tending to bring into crisis the bipolar system which has predominated since World War II. The National Liberation Movement has achieved impressive progress on various continents over the last few years. The influence of the Third World and the Nonaligned Movement is increasing in international life. China is becoming an increasingly important factor, and trends toward independence are increasing in Europe.

Another factor to be borne in mind in the international sphere is the new role which the Vatican is currently adopting. The latter, in addition to its support for the confessional parties, is attempting to restore to the church its traditional supranational role, acting as a powerful pressure group and interfering in countries' internal affairs--over the model of education, divorce, abortion and so forth.... This new attitude means a brake on the Christians' struggle in Latin America.

[PM050929] The PCE places at the center of its international strategy the creation of a broad front of struggle for peace. We will mobilize all our energies and means to achieve the convergence of all forces which wish to avert a third world war; save detente and peaceful coexistence; resolve conflicts by means of negotiations; guarantee full respect for the principles of the United Nations and the Helsinki Final Act; stop the arms race and tackle in a new way the problem of controlling and reducing weapons--particularly nuclear weapons; and secure specific and effective measures which will reduce the threats and promote peace and security.

This peace front will make it possible to mobilize extremely broad forces and involve them in the struggle against imperialism's aggressiveness and against the trends toward hegemonism and the sharing out of areas of influence among the largest powers. It will make it possible to advance toward a real democratization of international relations and the creation of a new international economic order based on equity and the mutual advantage of the parties concerned.

Europe and the Left's Role

The crisis is prompting an exacerbation of the contradictions among the principal centers of the capitalist world: the United States, Japan and Western Europe.

The present U.S. policy is stepping up pressure on Europe, on the one hand in order to stimulate and accentuate rightwing trends, and on the other hand to strengthen its dominant position and stop the currents pressing for greater European autonomy.

The PCE believes that to deal with and defeat the rightwing offensive, the West European workers and peoples must tackle a number of shared pressing problems, many of which (the crisis, agriculture, industrial conversion, energy, defense, terrorism, and so forth) cannot be resolved by limiting ourselves to the framework of a single country. It is indispensable to have a European strategy to formulate a progressive alternative to the crisis; to plan for and promote joint actions and achieve a new correlation of forces; to impart to European building a new dynamism that will transcend the domination of the multinationals and monopolies and lead us to a people's Europe.

The PCE advocates Spain's entry into the EEC, mainly because it considers it crucial to have, as other workers and democratic forces on our continent have, a strategy for European transformation--a strategy designed, within the West European framework, to defeat the right, end the monopolies' exploitation and oppression, provide a progressive solution to the crisis, establish an independent position for Europe in foreign policy and advance toward socialism along a democratic path.

At the same time (as our economic thesis explains) we declare our opposition to the way in which the UCD government is carrying out Spain's EEC membership negotiations. We are exerting pressure for membership to take place with guarantees for the Spanish workers' and peoples' interests. And also for a transitional agreement to be established with the EEC countries to place Spanish workers resident in those countries on the same footing as workers from other EEC countries, pending their attainment of conditions of full equality.

The leftwing forces must exert pressure in countries using foreign labor for an end to discrimination against cultural, social, ethnic and other minorities.

EEC life is conducted too much at the institutional level, with little feeling of involvement by the peoples. But, partly as a result of the stimulus from the European parliament, the Council of Europe [Consejo de Europa] and so forth, some degree of European political life is beginning to emerge. We are advancing toward a new system of political relations at the European level and the basic issue is to see whether within this process (and along with relations in this or that country) it is possible to tackle in a new way the problem of relations among socialists, social democrats, communists and other progressive parties--the problem of the unity of political and trade union action of the European left.

Social Democrats have governed in several European countries during this century, for relatively long periods. But in no country have they put an end to the system of capitalist exploitation.

Therefore the present economic crisis is at the same time the crisis of the social democratic policy and solutions. This is prompting the emergence of new trends within the Socialist and Social Democratic parties, within the trade unions, and so forth (very visible not only in southern Europe but also among the British Laborites, in Sweden and in other countries), seeking new ways of dealing with the present crisis.

One of the basic meanings of Eurocommunism is in fact the placing of the issue of relations and unity of action between communists and socialists in a new framework.

In this connection Mitterrand's victory and the forming of the socialist government with communist participation in France and the advance of the left and other progressive forces in Italy, Britain and the Netherlands begin a favorable change in the balance of forces in Europe and opens up new prospects of unity and understanding among socialists, communists and other progressive parties.

It is a matter of formulating a new way, neither social democratic nor based on the "Soviet model," to provide an answer to today's problems and to point to a progressive solution to the crisis and a modern and democratic road to socialism within freedom.

A decisive role within this process belongs to trade union unity. Hence the importance of the workers commissions' entry into the European Trade Union Confederation. But it is also necessary to enhance the trade unions' role throughout European life; to create or intensify trade union ties within the framework of multinational companies; to promote trade union actions at a European level against unemployment, the crisis, and so forth.

[PM 050931] The new social movements are very important factors today in European leftwing unity. Foremost among these are the feminist movement, the youth, ecological, cultural movements, and so forth.

Also the progressive Christian movements or currents.

The current migratory phenomenon in capitalist Europe must be taken into account in the Eurocommunist strategy for integrating and transforming the Europe of the monopolies into the Europe of the peoples and of the workers.

In the PCE's opinion a progressive alternative to the present crisis requires, as a minimum, that the following basic points be tackled:

1. A blueprint for a new model of economic growth that will bring about the kind of international division of labor consistent with world needs and a new international economic order capable of carrying it out.

2. Negotiations and agreement on progress among the communist, socialist, social democratic and other progressive forces to provide an alternative to the crisis. The worldwide nature of the crisis and the growing transnationalization of capital make a joint strategy at a supranational level indispensable.

3. The definition of a new kind of public sector capable of introducing elements of democratic planning into the management of national economies. A public sector that must surmount the real principle of subordination to private capital, which must perform the task of strengthening the new strategic production sectors (foodstuffs, stockraising, utilities), which must find new forms of financing and which must, furthermore, introduce much more effective and powerful measures to correct the distribution of income than the present ones.

4. The exploitation, within this strategy of progress, of existing supranational sectors that display a certain degree of economic integration, providing them with a strategy consistent with the solution of the crisis along the lines indicated.

5. The preservation of an advanced strategy for technology, capable of adapting the rate of introduction of new labor-saving production techniques to the reduction of the working week, the professional restraining of the labor force, the establishment of new gratis and obligatory education methods and systems, the consolidation of adequate and efficient welfare schemes and the general negotiation of agreements on the distribution of the profits of increased productivity implicit in the new technology.

With regard to the situation in northern Ireland, we condemn British imperialism's brutal repressive policy.

In connection with the problems of the Mediterranean, the PCE confirms its desire to continue developing its cooperation with south European workers and progressive forces and with the liberation movements of the northern coast of this sea.

Socialist Countries' Role

Since the 1917 revolution, which as the first socialist revolution in history, the Soviet Union's existence has been a fundamental factor in stimulating the working class' struggles; weakening capitalism; defeating Hitlerism; stimulating the vast liberation movement of formerly colonized peoples; and containing imperialism.

But particularly following the 20th CPSU Congress, the communist movement became certain that at the same time factors of degeneration had emerged within the Soviet state and that their persistence in certain respects implies a discrediting of communist ideas.

The capitalist system has been destroyed in a relatively large number of countries; such countries aim to build socialist systems.

These socialist revolutionary processes have hitherto produced systems of collective ownership, unquestionable social progresses in the fields of health, culture, science, teaching and economic development, but at the same time political systems that do not constitute the self-government of the worker.

It is a fact that these political systems are based on authoritarian and bureaucratic states in which the citizens' freedoms are limited or denied and on the merging of the party and the state and they are therefore a long way from what we communists understand by socialism within freedom and democracy. This indicates that the state ownership of the means of production itself is not enough for socialist transformation unless it goes hand in hand with social self-management, the involvement of the workers and the people in decisionmaking in all fields of economic, social and political life. Without this democratic framework, the periodic crises caused by the dissatisfaction of the workers themselves reflect one of the contradictions that call into question the credibility of socialist ideas as a whole.

At the same time conflicts and ruptures--which cannot be explained from the viewpoint of the interests of the world workers' movement--have emerged between countries in which communist parties are in power. The immediate effect of those negative aspects and of these conflicts has been a weakening of communism's international prestige.

All these phenomena cannot be understood without a theoretical effort of analysis and historical criticism which, in the light of experience, extends beyond the inevitably general approaches of the classics of Marxism, concerning the characteristics and phases of the new socioeconomic phenomenon of the socialist society and all the kinds of contradiction that can emerge within it.

The defense of the cause of socialism and communism at a time when the defeat of imperialism was limited to a single country--the Soviet Union--causes us communists to form a bloc around it in a stubbornly defensive stance. But now that imperialism has been defeated in several countries and capitalist private ownership has disappeared from them and been replaced by forms of collective ownership, it would be negative apart from unnecessary, for us to maintain this stubbornly defensive stance on the political and theoretical plane and there must be a critical stance with respect to this practice based on communist positions, which will help surmount the negative aspects and clearly define communism's real objective for the workers in countries still living under capitalism. Only from these positions of Marxist criticism is it possible to effectively defend socialism and effectively combat the ideological offensive of imperialism, which is trying to destroy all desire for sociopolitical change.

[PM050933] This is why, in its struggle for socialism and against imperialism, the PCE demands and practices total independence from all foreign states and parties, including socialist ones, and it asserts its right to criticize, when it considers it necessary, the positions of this or that socialist state which hinder the progress of our ideas in Spain and other countries and which could even exacerbate international tension and the threats to peace. Its right to criticize this or that negative aspect of the political practice of any of these countries [sentence as published].

One central point in our Eurocommunist ideas is that socialism is inseparable from democracy, freedoms, the involvement of the workers and citizens as a whole and the trend toward the peoples' self-government.

Our aim is not to announce any universal model. Marxism defines no "models" for building the new society. Each country and each revolutionary process needs to develop with its own characteristics. But historical experience shows that, particularly proceeding from the specific development of the production forces, of educational and cultural standards and of the articulation of society, a socialist system needs to guarantee the workers' real involvement in the country's leadership; respect for criticism and the plurality of opinions; and real political, trade union and cultural freedoms--objectives at which, for that matter, every socialist building plan must aim.

Poland's present experience, in all its complexity, is of unquestionable significance and importance in this regard.

We Spanish communists issue a positive assessment of the process of reforms begun in Poland following last year's unrest among workers and the people--a process which constitutes a very important event for Europe and the future of socialism. The reforms that Poland has undergone constitute a substantial and positive change in relations among the party, state and society. We also issue a positive assessment of the ability demonstrated hitherto by the Polish United Workers Party and the majority of Poland's mass organizations to accept this process as a factor in the development and consolidation of socialist Poland.

Furthermore, the PCE reasserts the Polish people's right to determine their own future without outside interference of any kind.

Our struggle in the West against capitalism and for socialism within freedom and the democratization in the Eastern bloc countries are two processes that influence each other mutually.

China, whose international influence is growing, has experienced a process of change not without contradictions, which has sometimes manifested itself in negative aspects of its foreign policy.

At the same time as the PCE asserts its independence and its right to criticize, it strives to maintain its friendly relations with all communist parties and the socialist countries, irrespective of whatever differences exist among them, and to establish new relations of cooperation within observance of independence, noninterference and the absence of any kind of leading center or party, whether explicit or de facto.

For New Relations With Third World Liberation Movements

In view of the recrudescence of imperialism's threats it is now more decisive than ever for the European workers and progressive forces to achieve an understanding and joint action with the Third World liberation movements.

This requires that we Spanish communists step up our action of solidarity, primarily with the Polisario Front and the PLO; with the peoples of El Salvador, Guatemala, Chile, Bolivia, Uruguay, Argentina, Paraguay and Puerto Rico; and with all peoples hit by imperialism, and additionally with Nicaragua and Cuba, which are subjected to continuous threats.

We condemn the state of Israel's policy of aggression against the Lebanese, Syrian and Iraqi peoples, with whom we are in solidarity.

We also condemn the racist South African regime's attacks on the young republics of Angola, Mozambique and Zimbabwe.

We advocate a negotiated and peaceful solution to the present conflict between Iraq and Iran.

We advocate a solution to the Cyprus problem based on the withdrawal of foreign troops and observance of the Cypriot people's will.

We support the Namibian and South African peoples' struggle against their fascist and racist oppressors.

We are in solidarity with the peoples in Indonesia, Timor, the Philippines struggling against terrible forms of oppression.

We defend the cause of Korean unification.

The European Workers' Movement must support and intensify its ties with the Nonaligned Movement, which is one of the major factors of peace in international life.

But the Third World problem is not purely political. Without thoroughly tackling the economic aspects and struggling for a new international economic order, it is impossible to forge strong ties of joint action against imperialism. This new order should be based on the following points:

A. Freer and more open access to technology and the providing of conditions for the backward countries not belonging to the imperialist center to develop their own culture and research.

B. Regulations for international markets in raw materials and energy-producing products, on the other. These regulations must be equal-based and comprise regularity of supplies, automatic formulas to modify prices, world planning of natural resources and of the ecological and biological defense of mankind and guaranteed industrial, technological and financial benefits for the exporting countries.

C. A new international financial system that does not depend preferentially on a particular currency or metal, with a view to establishing a genuine world bank able to issue its own international currency.

D. Rational planning, on a world scale, of agricultural resources and the agricultural and food industry, which will permit more equitable and rational distribution of food reserves and which can tackle the food crisis of the 1980's.

To achieve this new international political and economic order there must be not only a struggle by the Third World peoples but also constant pressure and a constant struggle by the industrialized countries' progressive forces. Working mutually, this strengthening will benefit the developed countries' progressive and leftwing forces too. The cause of the struggle to liberate the Third World is an essential aspect of Eurocommunism.

[PM050935] For a Spanish Foreign Policy of Nonalignment With Military Blocs, Against NATO Entry

Spain's foreign policy, steered by the union of the Democratic Center [UCD], is predominantly one of subordination to U.S. interests and demands.

At present, Spain is being subjected to strong U.S. pressures for it to join NATO. Such pressures are part of U.S. imperialism's plans for strengthening the policy fo blocs, rearmament and military confrontation.

Spain's entry into NATO would mean the deployment of nuclear weapons on our territory and the danger of our total destruction in the event of war. It would imply a loss of Spanish sovereignty; it would place our armed forces under a U.S. high command. It would have disastrous consequences in the political, economic and social fields. Moreover, it would mean breaking the existing balance in Europe between the two blocs (no country has joined NATO for over 20 years) and would thus create tensions and threats of war in Europe and the Mediterranean and, in the case of the Canary Islands, would transform the archipelago into a platform of aggression against the African peoples, seriously increasing international tension in the region. It would jeopardize our position with respect to the Arab countries and the Third World as a whole. Moreover, it would imply introducing an element of division among the Spanish people.

Furthermore, NATO entry would not prevent possible coups d'etat, as has been made obvious in Turkey and Greece.

The PCE reasserts its steadfast position against military blocs and foreign military bases in both the Eastern and the Western blocs, and against Spain's entry into NATO.

It is indispensable that the public be most fully informed on the subject, that there be a debate in the media and that all democratic and patriotic sectors mobilize and reach an agreement to prevent entry into NATO. There are sufficient forces to achieve this if we act resolutely. It is unacceptable under any circumstances that such an important decision be taken solely by a parliamentary majority. This would imply contravening the spirit of the Constitution, since Article 92 establishes the possibility of particularly important political decisions being made the subject of a referendum, in which case we are confident that a large majority of the Spanish people would reject membership.

Furthermore, the UCD government has placed the renegotiation of the bilateral agreements with the United States within the framework of the plan for Spain's NATO entry. This being the case, the continued presence of the existing bases on Spanish territory under the terms of these agreements, which--irrespective of

their legal status--are in fact in the hands of the U.S. armed forces, would only further exacerbate the harmful effects of NATO entry. The PCE therefore declares its clear-cut opposition to the continued presence of these bases.

At such a grave moment in the international situation it is crucial that Spain's foreign policy be aimed at contributing to peace and friendship among the peoples. We therefore urge a policy of nonalignment with the military blocs. Spain has already attended nonalignment movement conferences as observer. This stance must be maintained.

The PCE advocates a Spanish foreign policy that has as its fundamental objectives:

--To recover Spanish sovereignty over Gibraltar by means of steadfast diplomatic action that will oblige Britain to observe the UN decisions, while at the same time carrying out dynamic and intelligent political activity among the Gibraltarian population.

--A resolute policy of EEC membership, while safeguarding national interests.

--Mediterranean policy: the development of friendly relations with the Arab world. Support for actions aimed at the military denuclearization and neutrality of the Mediterranean. The promotion of joint actions among the littoral countries in connection with the protection of the environment and the struggle against the contamination of the sea, while exerting pressure for the implementation of the agreements reached.

--A policy with respect to France aimed at improving relations and resolving pending problems, and especially active cooperation to prevent the use of French territory by Basque homeland and freedom terrorists.

--The recognition of the Polisario Front and the Saharan Democratic Arab Republic. Spain must support the UN and OAU decisions and contribute to a solution that will put an end to the Moroccan aggression, guaranteeing the Saharan people's right to self-determination and independence. Following the king of Morocco's proposal of a referendum at the latest OAU assembly the PCE believes that to guarantee the Saharan people's free expression the Moroccan civil administration's military forces must be withdrawn immediately and the Polisario Front must participate with full rights in establishing the guarantees of the referendum.

--Full Spanish backing for the PLO and the Palestinian people, including their right to create their own national state.

--A Latin American policy that takes into account the need for active solidarity with those struggling for their freedom and against dictatorships, to help the victims of dictatorial and repressive regimes and to guarantee the peoples' independence and democratic freedoms.

--As a specific expression of the policy of internationalist solidarity that the PCE consistently pursues, the Communist Parliamentary Group will strive to ensure that the Aliens Law comprise a political refugee status guaranteeing the rights of those who have had to leave their countries to defend democratic and progressive causes.

--Support for the United Nations, enhancing its role in resolving international conflicts.

--Spain's active involvement in initiatives aimed at setting in motion a disarmament process, above all a nuclear one, and at achieving effective arms limitation and control methods.

We are living in a historical era when the international role of medium-sized countries such as Spain is growing; this lays objective foundations for a democratic foreign policy, which would enable Spain to enhance its prestige, strengthen its security, extend its ties of friendship and cooperation with all peoples, contribute to the new relations that must be encouraged between Europe and the Third World and assist international disarmament, peace and cooperation.

Thesis 7, Spanish Communist Party

Madrid MUNDO OBRERO in Spanish 16-22 Oct 81 pp 43-49

[Text] Thesis 7. The Spanish Communist Party

1. The PCE has played and is playing an important role in the transition period as a political force which is struggling for the consolidation of democracy and its development. It has been able to evaluate the political phase with accuracy, measure the correlation of forces and draw up a policy of concentration which has been an essential factor in the defense of our emerging and fragile democracy and has proved itself to be the most equitable with regard to the interests of the working class and the people.

Within this period, the PCE has been able to achieve its legalization, maintain a considerable capability of summoning people, promote mass mobilizations, hold sizable electoral campaigns, participate in the consolidation of the CCOO [Workers Commissions] and the UAGA, carry on intensive parliamentary activity in defense of democracy, autonomies, the interests of the workers and the modernization of social life; participate with considerable strength in municipal governments and, also, although to a lesser extent, in autonomous and preautonomous organizations; in major problems relating to the strengthening of democracy maintain a political presence much greater than its electoral representation; be an important element in drawing up the Constitution and the statutes of self-management; hold the Ninth Congress in which it affirmed its Eurocommunist policy; play a more important role in democratization after 40 years of clandestine status; and incorporate hundreds of new cadres in leadership groups at various levels.

The PCE has an organized membership of 160,000, a sizable network of committees and cells, of headquarters and places of business, with self-governing parties structured according to nationalities and areas and more than 2 million popular votes which give it their support.

We believe that in a context in which the difficulties and problems are being highlighted, it is only fair to give a correct evaluation of what has been accomplished in order not to overemphasize those difficulties through a subjective approach.

At the same time, it is necessary to point out with courage, realism and self-criticism that the party's development has been proceeding extremely slowly and, at times, accompanied by phenomena of stagnation and political and organizational disintegration. Some of the negative aspects we have are: politicking at the top, the emergence of trends, members dropping out, a weak relationship with the masses, an unsatisfactory relationship between the directorate and the base, and an insufficient adaptation of the organization and its operation to the kind of party depicted at the Ninth Congress. This is largely a product of the political situation but also of the errors, inadequacies and defects of the party, of its directorate.

Although there have been recent international events which indicate a substantial change in the way of progress, such as the socialists and communists acceding to power in France, the general orientation of the present political situation in the world and in Spain is not favorable for us. Moreover, the crisis in the securities market and the deterioration of the standard of living under the present system are sufficient reason to make us aware of the need for change.

The democratic change effected uninterruptedly under the hegemony of the Right, the substantial conservative influence of factious powers, the maintenance of fundamental sectors of the state apparatus without democratization, the worsening of political, social and economic problems resulting in growing discontent and disinterest among the people, the major obstacles to the people's participation and role playing in the country's political life; the persistent fear of becoming involved; the campaign to disparage political parties, especially the PCE: all this is an expression of a nonrevolutionary situation, of withdrawal, of a retrenchment of the popular forces, with hegemony in the hands of the social bloc of the Right and a correlation of forces unfavorable to the Left, especially the PCE.

This does not preclude the real possibility of changing the situation and the important role the PCE can and should play, but it denotes our limitations and the foreseeable rhythm in the process of change. This reality must be taken into consideration in order not to lose ground and be able to face up to the situation and its negative repercussions in our own ranks.

This is a difficult situation which demands that we be firm and persistent in defending the party's policy while simultaneously being determined to correct our own inadequacies.

We must definitely reaffirm the character of our party as being Marxist revolutionary, democratic, in support of the people, struggle and government; progressing through strengthening and developing the party must be one of the central tasks of our activity at this phase. We must achieve a party capable of drawing into its midst the most combative sectors of the working class, the farmers, the cultural forces, the women's liberation movement, all liberating movements, the youth, the revolutionary Christians, and the popular sectors in various Spanish towns who are struggling for their identity and their national and regional freedom. We must achieve a party capable of making our Eurocommunist policy a reality.

We must also delve more deeply into the criticism of the models of the Stalinist and social democratic party, with regard to their concept and practical aspect as well as to their structure and operation, in order to develop a sound explanation of the principles on which our party is founded.

2. The fundamental error made by our party, particularly by its directorate, since legalization is that of making policy at the top for the top. Before there was an objective need to have councilmen and deputies, many party cadres who were working in cells and mass movements served for a time at the top. In this practice, which is to be the essential form of mediation between the PCE and the masses, the work of the cells with the undecided, the mass movements and the social fabric in general--fundamental aspects of a communist party--has been inadequate or very weak. Reversing this trend and succeeding in having the cadres return to the base organizations and mass movements must be one of the objectives of our work in the immediate future.

As a general defect we must also note a decrease in concern for the party as such, its operation and the progress of its development. A defect which in many instances, has been accompanied by a lack of understanding with regard to the party's role, its need as a collective revolutionary instrument to engage in politics.

It is certain that we have had to undertake tasks which are new and outside the scope of our capabilities, various electoral campaigns and work with institutions and people's organizations. These are tasks we have had to perform and must continue to perform. But in our close attention to a number of fronts we have not always attained the necessary balance.

We have a good policy at the general level, but there are weaknesses when it comes to putting that policy into practice at its maximum potentiality, to develop and translate it into concrete work at all levels, due to insufficient attention to the instrument required to do so--namely, the party as a whole. We must see to it that the party as a whole engages in politicking.

In all organizations, committees, militant groups, we must strengthen concern for the party's development and operation, giving it the support it has been lacking and the necessary cadres. We must make progress in the party's development, and this presupposes patience, tenacity and attention to detail. We must be aware that it is a task which requires planning, placing one stone on top of another, in an all-out effort.

3. During this period, trends have appeared in our party with a certain degree of crystallization and these have partially cast doubt on the policy of the Ninth Congress. This has given rise to a considerable amount of work outside the party's regular scope of activity and in violation of our operating norms, of our democratic centralism. These were negative aspects which found expression, among others, in what happened at the Fifth Congress of the PSUC [Unified Socialist Party of Catalonia] and seriously damaged the party's activity and implantation in society.

There were phenomena whose emergence and development, together with our own errors, have, among other factors, led to an erroneous appraisal of the situation and of the real correlation of forces by a sector of comrades; the temptation to

elude that reality on the basis of verbal radicalisms and testimonial positions; the fact that our policy has not triumphed; insufficient awareness of that policy; an organizational life not sufficiently rich and integrative which was not capable of analyzing and generalizing various experiences at work fronts; lack of understanding of the party by most of the new adherents who joined in large numbers after legalization; inadequate training; the existence of a group of cadres and militants with different origins and training whose need for homogenization we already pointed out at the Central Committee's Cordova plenum and which we must resolutely continue to push; without, however, having achieved an accord sufficiently generalized around the Eurocommunist policy drawn up at the Ninth Congress; and, finally, pressures from outside the party being exerted to make us change our policy.

First, we must face up to our party's problems, devising and putting into practice a policy which will satisfy the requirements of the struggle for democracy and socialism in Spain. Essentially, we have that policy, which is in keeping with our best identifying traits: the patrimony of the 60 years of our history, of the effort and sacrifice of many militants; the patrimony of the working class and of the whole of the Spanish people.

Among the PCE's identifying traits is its continuous effort to apply creatively the Marxist theory and the experiences of other communist and revolutionary parties to Spain's particular conditions, its international involvement and the historic moment. The struggle against narrowness, sectarianism and dogmatism. Our continuing practice of internationalist solidarity which, at the same time, throughout the history of Spanish communists, has confirmed in the strongest terms their patriotism and the resultant struggle of the PCE for Spain's national interests, its unity and complete sovereignty. Our total independence bears this out and the rejection of interference by any party or state in the internal affairs of another. The defense of freedom and democracy is consubstantial with our strategy of advancing toward socialism and its concept. We must understand that unity, the fulfillment of necessary pacts and a just policy of alliances are essential conditions for advancement and progress. This means unity in the party, unity in the Left--and especially with the socialists--and a broader, more democratic and more progressive unity capable of leading increasingly extensive social sectors toward transformation and change; also to contribute to the effort necessary to overcome the traditional division in the labor movement.

Second, we must deal with the party's problems, putting it in tune with the policy of the Ninth Congress and its amplification in the 10th Congress, strengthening its unity through a broad and frank political discussion and an improvement of the activity of the party as a whole, of its political and organizational life.

4. There has been insufficient discussion and explanation of the party's policy. Discussion within the party is inclined to be too general, abstract and ideological, not always connected with the practical aspects of the cell as a whole or of the organization under discussion.

It not infrequently uses language which is beyond the comprehension of the members as a whole. At times, there is a tendency to repeat the discussion at all levels with the same degree of generalization, rehashing what has already been said, very often forgetting that it is necessary to analyze the specific problem of each level involved.

This method of discussion does not help raise the level of the party or its political homogeneity; it seriously interferes with the contribution of the comrades as a whole and keeps many of them out of the discussion; it does not tie the political discussion in with the definite tasks to be performed so that much of the political analysis is not translated into organized political activity involving the masses; it does not increase our ties, as a group, with reality and with the people.

Concrete tasks are not always included in the daily work and are viewed as though they were carried out, basing the evaluation of the collective and individual activity in terms of the accomplishment of the same.

Often no attempt is made systematically and tenaciously to establish closer and more articulated bonds with the masses, the potential of mass movements.

Tasks involving organization, propaganda and finance, the party press, political training, essential to our activity, are not always treated with the necessary importance.

In the area of political training, we must make a serious effort at all levels, seeking to organize permanent schools for political training in accordance with the possibilities of each organization and each locality.

In conclusion, we must acquire a workstyle, in each organization and committee, based on a continuous contrast between discussion and political practice, with our sights turned toward the application and development of our policy in defense of the people, and this will enable us to draw general conclusions from our experiences and endow the party as a whole and its political line with more support and transformational capability.

5. A worrisome development is the substantial loss of members our party is experiencing, both quantitatively and qualitatively. This development involves not only newly affiliated members but also militants and cadres of various social sectors who had played an outstanding role during previous periods. Attempts to correct this tendency to leave the party, such as the campaign of the 60th anniversary, did not give the expected results.

There are various reasons for the party's inadequacies in the present situation which are bringing about a decrease in militancy, both in affiliation and commitment:

a) Lack of comprehension of the party's role and its need as a collective revolutionary instrument to engage in politics. This has been influenced by a number of subjective factors such as the incorporation of many militants on the borderline of legality or the emergence of many other former militants from mass movements with a resultant lack of experience in the party's internal operation. However, these elements have not been combated with a discussion on the party's role, which causes lack of understanding of the political activity.

b) Inadequacies of our policy pertaining to the masses, defined as:

Lack of unification between the policy of the masses and the institutional policy, with the result that the latter has not received sufficient support from the people and the policy of the masses has developed outside the institutional platforms to broaden its capacity for influence.

Difficulties in unitary policy not being able to count on the presence of other parties in mass organizations.

Too much party supervision over mass movements. Our political strategy--party of the masses, of struggle and of the government--leads us necessarily to consider mass organizations as key elements in the revolutionary process. Their maximum development, the maximum elevation of their organizational level and, therefore, of their autonomy constitute an end in itself, thus shunning all instrumentalization, contrary to a genuine policy of the masses.

Isolation between the policy of the masses and the political life of the party. It appears that the party limited itself to a policy "in general" or "in the abstract" and that mass movements devoted their energies to resolving concrete problems. In the party "there is a lot of thinking and discussion" without entering into concrete problems, whereas in mass organizations "people work" without adequate political coverage. This is a big mistake which deprives the party of its capability of immediate political intervention and mass movements of their final objectives of social exchange and transformation. To know how to combine immediate demands with objectives over the medium and long term and unite action with awareness is the genuine practice of the masses. That is why we encourage grievance and social political mass movements and organizations.

Mechanical application of territorialization. This is conducive to putting an end to the party's sectorial activity. Although this gave a certain amount of operability to the party's organizations, it caused serious difficulty in the construction of a party of the masses, basically affecting the labor and skilled personnel sectors. It reduced the activity of factory groups and obscured the efforts of the party's intellectual workers which, in turn, weakened the labor movement ideologically and politically.

All these factors led to serious consequences such as:

1. Loss of influence in the party of sectors originating in organized mass movements, which caused the leadership to be increasingly more schematic and preoccupied with mechanical aspects of the work than with creative political activity.
2. Unawareness of the importance of the role of intellectuals in their double capacity as influential sectors in the ideological apparatuses of society and the state and as the ideological animators of the party's work, as elaborators of key experiences of the labor movement as a whole.

This loss of members had its greatest impact on professional and intellectual sectors, weakening our party's capacity for exerting influence in very sizable areas of the social fabric and making an alliance between the labor and cultural forces difficult, an alliance which is essential to our Eurocommunist project.

There was also a loss of members among the women resulting, in general, from the fact that the party organizations did not think it necessary to explain and deal with the women's problem, with their liberation.

Our party's weak influence among the women and youth is forcing us to replan our work in these basic sectors of our society.

Moreover, it should be pointed out that the party's implantation in Spain as a whole is very irregular and that in extensive agricultural areas our influence is very weak. In many instances, the party's organization in companies and work and study centers has not been given the necessary attention by the committees involved.

Overcoming this situation is an immediate requirement linked to our capability of politicking on the lower level, on the level of the party and the masses, developing democratic participation in our internal operation. We must analyze the experience of organizations which have not only had no loss of members but, on the contrary, have taken on new militants. We must make a more thorough study of the definite reasons for loss of members.

An essential task must now be to recover the militants and cadres who left the party during this period, offering them a political life adequate to their needs and genuine participation useful to their training and relationship with the social sectors in which they find themselves, compatible with their problems and aspirations.

We must renew our best proselytizing tradition based on our communist behavior and image, knowing that a Eurocommunist party must be numerous, influential in all sectors of society. We must swell our ranks with many more workers, professionals, intellectuals and artists, farmers, small and medium-size businessmen and industrialists, youth, women and emigrants. Only thus shall we be able to make a reality of the revolution of the majority, socialism in freedom.

6. We must continue to have our organizational structures measure up to the conditions of democracy, to the characteristics of a party of the masses in legality. However, clandestine forms and methods weigh heavily upon us, in party organizations and in the leadership.

The criterion of territorialization of our organizations has been strictly applied and even with erroneous interpretations, as we mentioned; this has particularly affected factory organizations and militancy among the party's professionals, intellectuals and artists.

In view of the difficulties experienced by territorial forms of organization in attempting to achieve maximum effectiveness and the confusing of political problems and difficulties with those of an organizational nature, the territorial principle of organization has at times been questioned and there are plans to return to old methods now superseded and inoperative in this phase.

Therefore, it is only fitting to reaffirm the general principle of territoriality, that is, organization on the basis of place of work, study or residence as

the site of militancy of the communists of that scope as a whole. This form of organization, adequate for the present phase, for the policy and character of our party, makes it possible to give overall and specific answers to the problems of the people in all areas; it enables the party to penetrate the broadest framework of the social fabric; let us hope that the party will continue to serve as a single group to harmonize the activity of labor and cultural forces, exponents of the social sectors called upon to transform society.

Insistence on territorial organizations has contributed to the party's loss of political influence and to organizational retrocession in such important sectors as education, art and the professional milieu. The specific nature of these sectors, their being widely dispersed, the complexity of the political problems facing them and their sensitivity to cultural and ideological questions did not find, in the cells and territorial committees, a scope of organization and political direction sufficient to assure their orientation and inspire them with a spirit of militancy. Our party, in turn, will have to make its organizational forms more flexible, trying to find apparatuses which, when suitable, can culminate in the creation of specific sectorial cells in which intellectuals, professionals and artists can analyze the problems of their sphere of activity as such and carry out a policy with greater involvement in those sectors.

7. One of the biggest weaknesses in our work stems from the fact that we have not been able to organize the activity and operation of cells to a satisfactory degree.

To achieve a genuine party of the masses, it is essential to extend our political influence and systematize our organized presence among the working class and at work centers. The leading political role, which, in our political plan, belongs to the working class as the class most involved in Spain's vanguard and national interests, requires strengthening the party organization in companies where cells already exist and creating new ones at hundreds of work centers. This is an essential condition for the party to accomplish its political task among the workers without delegating that task to the union or other mass organizations. In this regard, few company cells have been created during this period, and the existing ones present many inadequacies.

We must consolidate the company cells, strengthening the committees politically, regularizing political and ideological activity among the workers, systematizing proselytism, politicizing their life beginning with union and grievance struggles and an examination of the general political situation, a practice which we must introduce at all work centers.

The existence of thousands of small and medium-size companies should not be an obstacle to our finding forms of organization and relationship of communists working in those companies. In this respect, it will be necessary to become oriented even to the point of creating "groups" of communists in small and medium-size companies, working in harmony with the corresponding territorial cell, making it possible to extend the party's organizational presence to many more work centers.

The communist cell is the base organization of a party of the masses in a given territory or at a given work station or study center. It is the place where militants assimilate the party's overall policy, come into contact with each other and exchange concrete and sectorial experiences relating to a struggle centered around a common plan of action.

In general, the work methods of the cells are very diverse, the product of an unequal process of assimilation of the transition from the old organization to the present party of the masses, territorialized. However, in many instances, the cell is still not taking on its function as a center for the elaboration of the party's political initiative in a given locality, the promotion and orientation of mass activity, the inducement of affiliates to participate in social movements and the concrete implementation of the party's general policy.

The cell must be the place where various demands made by society are analyzed for the purpose of mass effort and institutional action. It must also be a center for cultural life, a stimulator of the party's class consciousness and cohesion and a center for the diffusion of socialist and revolutionary knowledge about questions which affect policy in general or about specific problems. The cell must be the place where the party assumes its function as collective intellectual and educator. As part of its program, it is the cell's responsibility to familiarize all newcomers to the party with the Marxist method of interpreting reality and criticizing capitalist society. The cell must be the first and principal place for training communist militants, beginning with continuous political and ideological discussion, in direct relation to their political work and work among the masses. The cell must assure the dissemination of the concepts of socialism and communism among the workers and other popular strata: their aspiration for freedom, solidarity and equality and their struggle against the concepts of the dominant classes in their field of action.

The ideological task has often been abandoned in recent years, permitting a form of pragmatism to gain ground, which we must combat to assure the party's revolutionary vanguard role. It is not a matter of cultivating an elitist discussion outside the scope of daily political and grievance activity; on the contrary, this educational, critical, propagandist practice must be carried out in close contact with mass and institutional work, with constant concern to enlighten the workers in the form of a class interpretation of the contradictions and conflicts generated by capitalist society.

This cultural and ideological struggle, without which it is no longer possible to achieve our new objectives, reveals the need to introduce profound modifications in the methods of work, discussion and political activity of the cells. We must avoid any tendency toward bureaucracy, routine, the closing of a cell itself or discussions which do not interest most of the members. We must open the party to society, have our regular discussions include the major issues of the political situation, the international context, cultural discussion and events of daily life. We must confront concrete problems, devise grievance strategy and program the party's tasks with regard to mass movements, but also devote organizational and pedagogic efforts to place the party and its militants in position to resolve the complex problems presented by the revolutionary transformation of the

societies of mature capitalism in the present phase of acute crisis. Political discussion in the cell must make the affiliate a knowledgeable militant, identified with the party's policy, defender of the ideals of socialism in all his spheres of activity. To develop this activity, the party must make use of its own news media. Thus, MUNDO OBRERO, NUESTRA BANDERA and other party publications must fulfill a political, cultural and ideological function which will serve to train affiliates and make them instruments of intervention in the political struggle and struggle of ideas based on the party's line and program.

It is a far-reaching task, oriented to place the party in position to direct itself politically to the workers and the people in general to whom the party has everything to contribute but whose principal objective is the political and cultural dynamization of the cells.

Moreover, this concept of a party of the masses, based on the conscious adherence of the militant, on his active political participation, radically different from the top-echelon concept of the party of social democracy, is a substantial element of our strategy, of our struggle to achieve a genuine participative democracy in face of a persistent attempt by the Right and big capital to cast doubt on the party system and attack any form of social organization of the masses.

The organizational forms of a party of the masses must of necessity be flexible to permit the coexistence of different commitments of militancy and facilitate the admittance of any affiliate who shares the party's program and accepts its statutes. However, among their objectives, cell committees must include affiliates in militant tasks. For this purpose, the cell must be endowed with multiple forms of activity for the militants, through committees, study groups and discussion and work groups, and this will provide greater opportunity to interest anyone who is thinking about joining the PCE and enable him to participate in political reflection and in active militancy according to his own capabilities. The committees must have sectorial responsibilities to be able to stimulate these forms of work.

Our party centers and halls must be sources of light which radiate to the outside, which project abroad the party's influence among the masses. They must be pleasant, attractive, open places which carry on activities of interest to the people as a whole.

8. Traditionally, the PCE has not vacillated in its defense of the right of historic nationalities to self-government. Sensitive to this reality on the part of Spain, since 1935 and 1969 the Communist Party of Euskadi and the Communist Party of Galicia have existed in its midst as organizations with their own personality. For historic and specific reasons the Unified Socialist Party has existed in Catalonia since 1936, established through the fusion of four Marxist parties, an independent party with which the PCE has always maintained close political and organizational ties aimed at being a single dominant party in the state, with the same policy, the same general principles and the same organizational principles.

When democracy arrived and the state, made up of self-governing regions, began to be organized in accordance with the Constitution, the PCE promoted the transformation of its regional organizations into autonomous communist parties within the PCE. This status was acquired by the communist parties of the Canary Islands, Valencia, the Balearic Islands, Andalucia, Asturias, Murcia, Cantabria and Extremadura and will soon be acquired by those of Aragon, Castilla-la Mancha and Castilla-Leon.

The PCE is adapting this procedure to Spain's autonomous reality. It is an adaptation which is being improved by the incorporation of federal elements in the party's organization and operation in accordance with the new statutes. Each of these parties has full autonomy to draw up a policy suitable to its community and possesses its own political personality within its nationality, country or region, attempting in this manner to achieve the closest ties possible with the working class, the cultural elements and the progressive sectors of its people. Undoubtedly, this organizational reality can bring about the most active identity with the interests of each of Spain's peoples.

At the same time, this does not belie but, rather, reaffirms the unity of the Spanish Communist Party as a whole, as an organization which conducts politics throughout Spain, with a common directorate, policy and discipline. Spain is a historic reality with a single working class, an oligarchy and a common democratic and revolutionary plan.

The PCE's process of adapting to a state made up of self-governing regions, developed during these transition years, not without distortions, has been one of the most important innovations in the party's life. To combine the principle of autonomy and personality of each of the parties with the affirmation of the Spanish Communist Party as the decisive instrument for democracy and the socialist transformation of Spanish society, avoiding falling into extremes, whether centralist or nationalist, will be one of the keys of the triumph of our policy among the self-governing peoples and in Spain as a whole.

9. Internal democracy within the party is clearly insufficient, although important measures have been taken since legalization to broaden and strengthen it. Progress in the democratization process must be one of the basic objectives of our work. This is not achieved just by seeing that all organizations are elective. A decisive element is to increase the participation of a large majority of members in discussion, in the preparation of policy, in decisions, in the political life and in party activity. Democracy is participation, information, activity by the organization as a whole or of the vast majority. To make discussions more lively, improve the circulation of ideas in the party and increase the clarity of existing opinions, it behooves us to create a permanent free-expression rostrum within the party in which every affiliate may have the right to express his opinions and criticisms with complete freedom.

The constant development of democracy within the party, in turn, requires the implementation of norms of unity of action, the submission of the minority to the majority and the functioning of criticism and self-criticism; in short, of democratic centralism. It is also necessary to eliminate irrational elements which still exist in the party and which constitute the basis of the Stalinist

phenomenon. As a party of struggle and government, democratic and of the masses, with a diversity of opinions in its midst, the PCE requires collective vigilance so that discipline will not deteriorate. As a Marxist revolutionary party which is struggling for the transformation of society through socialism and communism, it combines the broadest internal democracy with respect for the opinions of each affiliate with a consciously assumed discipline.

Therefore, in the approved statutes we read:

"Complete freedom of expression and criticism is a fundamental right which is exercised in a permanent manner through all the party's organizational channels and news organs, the inseparable right of everyone's duty to abide by the decisions of the majority. After discussion and comparison of opinions, to maintain unity of action and political homogeneity, factional activity is not permitted; nor are organized trends contrary to cohesion, discipline and genuine democratic expression."

10. The PCE experience has been open to the transformation of cadres and leaders, even during the Franco era of secrecy. It has always attempted to combine change with the necessary continuity. But it is obvious that at present there must be a substantial change in the party. This change is passing through a phase of democratization and decentralization, through greater intervention of the bases in decisions, through the establishment of an efficient apparatus and submitting that apparatus to the party's general will. It is clear that any change must be carried out in terms of a policy, promoting cadres but keeping them identified with that policy commensurate with their capability and experience, seeking an integrative political homogenization, with a wealth of diversity, of nuances and experiences in its midst, with a capacity for coherence in the work, avoiding improvisation.

In general, substantial changes have been made in the party's directorate organs through the incorporation of new cadres. Considering the party as a whole, there has been a broad process of renewal which has led to the promotion of hundreds of new leaders.

This process will have to go forward at all levels. At the same time, we must see to it that the committees enjoy a high degree of consolidation and stability; without this they will have difficulty becoming experienced and capable leadership organs. Experiences are quite different, but in some organizations the negative idea has predominated that each year the committee or its leaders should be changed on the assumption that this is the most democratic procedure. This practice makes it difficult to achieve a minimum of stability in leadership groups, since the organization in question is considered temporary, thus weakening its effort. Renewal and promotion must be combined with consolidation and collective capability, which is not improvised in a leadership team.

In recent years the practice of creating leadership groups has prospered even at the highest level, confusing prodigiousness with democracy. These committees encountered serious difficulties when it came to organizing their work and permitting their members to have real participation in the leadership tasks, causing frustration and repeated absences at meetings. At times there was also a tendency to create too many leadership groups.

Strengthening the committees at all levels and giving the work committees and cadre assemblies the importance they deserve are an essential condition for better party operation.

Other experiences have not helped improve the collective effort of the policy directorate, the division of duties and the determination of responsibilities.

Leadership groups must combine the highest degree of democracy in their midst with an adequate division of labor and loyalty among their members. A clearly negative aspect which has shown up upon occasion in recent years has been a worsening of personal and group conflict within leadership groups and among the cadres. This practice has been harshly criticized by the party base which has vigorously rejected it. Consolidation and democratic maturity are enabling the PCE to overcome these practices within the party itself and, even moreso, in its leadership groups.

It must also be pointed out that, during this period, the rapport of the party's directorate, including the Central Committee, with the base has not been satisfactory, with the frequent absence of members of upper-level committees in their own cells, thus depriving their regular organization not only of direct information but also of more meaningful discussion. There has been a lack of direct, systematic and frequent presence of members of the directorate in the base organizations. Information released to all organizations and affiliates must also be much broader and more systematic considering the key role such information plays in a party of the masses and a society such as ours at present. In this regard, it behooves us to analyze--for purposes of correction--decisions made by the directorate to consider the continuance of the daily, MUNDO OBRERO, unfeasible.

In general, there is a definite break between the analyses, orientations and resolutions made by the directorate and the manner in which they come to the attention of the base, are assimilated and analyzed.

This inadequate relationship is one of the major difficulties experienced by an efficient political leadership which wants to see the party advance, become homogeneous, facilitate participation by the affiliates, perform as a single unity and put its guidelines into action.

This lack of communication between the directorate and the base has often led to a distorted view of our policy, ignorance of the policy by sectors of the party and, at times, a weakening of some of its aspects--such as those relating to the mobilization of the masses--whose execution is dependent on whether the party as a whole puts them into practice.

Therefore, there is a need to bring the party's directorate and base much closer, to make the base more aware of the activity of the leadership cadres. For this purpose, it will be necessary to improve the activity of the leadership groups whose effectiveness is essential for the party as a whole and be more objective and open in choosing members of leadership groups; to see that the committees are made up of a proper balance of men and women dedicated foremost to the party's political and organization work and being careful to avoid an accumulation of responsibilities by following the guidelines on incompatibilities which we have

somewhat neglected up to now; to take greater steps in the development of a good party apparatus by increasing the number of militants professionally dedicated to that apparatus as one of the key factors in improving the PCE's organization and capacity as a political force of the masses.

The party's activity, independently of the needs which arise from time to time, will require that the party's directorate come up with a plan which will make it possible to evaluate the results of the activities upon completion and facilitate the work of the militants in the concrete tasks delineated in the theses.

Discussion of these questions, weighed against the contributions of all the comrades with their ideas and experiences, will permit us to advance in the improvement of the party's activity, its organization and operation so necessary for the defense of democracy, its consolidation and development, for opening perspectives for a socialist society in Spain.

8568

CSO: 3110/34

POLL SHOWS INCREASING SUPPORT FOR SDP/LIBERALS

PM191213 London THE DAILY TELEGRAPH in English 19 Nov 81 p 10

[Gallup Poll report: "SDP and Liberals Gain Ground as Foot's Following Slumps Further"]

[Text] Public support for Mr Foot as labour's leader has fallen to an all-time low for any post-war party leader, with only one in six thinking he is doing a good job.

At the same time, the social democrats and the liberals continue to gain ground after their victory at Croydon--up to 42 percent, in combination compared with 29 percent, for labour and 26-1/2 percent, for the conservatives.

These are the main findings from the latest gallup poll conducted exclusively for the DAILY TELEGRAPH. Gallup asked:

"Do you think Mr Foot is or is not proving a good leader of the Labour Party?" and the replies were:

	Today	Oct	Sept	Aug
Is	16	27	28	23
Is not	67	54	54	57
Don't know	17	19	18	20

The previous low point for any other party leader was in February 1967, for Mr Heath, also in opposition and as yet untried as a prime minister, when he had the support of only 24 percent of the public.

A minority, 37 percent, of Mr Foot's own supporters think he is proving a good leader, compared with 54 percent, last month.

Replies to Gallup's normal voting question were:

	Today	Oct	Sept	Aug
Cons	26-1/2	29-1/2	32	28
Lab	29	28	36-1/2	38-1/2
Lib	15	13-1/2	11-1/2	13
Soc. Dem	27	26-1/2	17-1/2	19
Other	2-1/2	2-1/2	2-1/2	1-1/2

Another lowest point: the current level of support for the conservatives is an all-time low for either of the two main parties since 1945.

To measure the public's image of the two established parties and the new alliance, Gallup asked: "When deciding which party to support, which of these things do you yourself, look for first of all?" The replies, compared with earlier studies, were:

	Today	1977	1974
Honest, intelligent, experienced leaders	36	47	37
Forward-looking plans for improving our stand	34	36	32
Sound domestic policies for looking after things in this country	33	31	39
Concern for the interests of myself and my family and people like us	28	37	50
Will make the country prosperous	28	32	40
Ability to keep a fair balance between the interests of all sections of the community	25	27	33
A democratic organisation so that party policy decided by the members and is not decided for them by powerful sections	20	21	24
Unity and agreement within the party	19	20	25
Ability to get the support of trade unions and the workers	17	16	20
Ability to get the support of business, industry and commerce	16	14	20
Sound policies for looking after foreign affairs	11	15	20
None of these	5	6	6

The replies to another voting question, where people are specifically offered four possible choices, shows a similar pattern of support to Gallup's standard voting question. Replies to the question: "If an election were to take place tomorrow, and the following candidates were standing in your constituency, how would you vote?" were:

Conservatives	25-1/2
Labour	28
SDP-Liberal Alliance	43
Some other party	3-1/2

Leadership continues to be the most important of the 11 items voters might look for in their party, while the "self-interest" item--"concern for the interests of myself and my family and people like us"--drops from second place in both 1974 and 1977 to fourth place in the latest study.

There has been a progressive drop in the number of responses given over the years, suggesting that the public expects less generally from politicians than they used to, at least on the topics listed.

People were then asked whether or not the statements applied to the Conservative Party, the Labour Party, or the alliance between the Liberal Party and Social Democrats.

The table below shows the net scores from these questions where a plus indicates more people thought the statement applied than it did not, and a minus indicates the reverse:

	Cons	Lab	Alliance
Leadership	- 2	- 9	+29
Sound domestic policies	-21	-10	+15
Forward looking	+ 2	+ 3	+39
Make country prosperous	-14	-20	+16
Concern for people like self	-35	+ 8	+28
Keep fair balance	-30	-11	+22
Democratic organisation	- 4	-20	+37
Party unity	- 9	-67	+30
Supported by business	+56	-41	0
Supported by unions	-71	+71	-10
Sound foreign policies	+20	-19	0

The public's current image of the Conservative Party is in stark contrast with the position 4 years ago. Now on only 3 items does the party score positively, while in 1977 all the scores were positive with the expected exception of trade union support.

By these standards the alliance is off to a good start, scoring negatively only on one of the least mentioned items. One potential problem, however, for the alliance is the relatively high proportion of undecideds, ranging from 24 percent on party unity to 56 percent on foreign policies. This compares with a range of eight percent to 29 percent for the two main established parties.

The details of Gallup's other standard "popularity" questions were:

Do you approve or disapprove of the government's record to date?

	Today	Oct	Sept	Aug
Approve	23	24	26	23
Disapprove	66	62	63	66
Don't know	11	14	11	11

Are you satisfied or dissatisfied with Mrs Thatcher as prime minister?

Satisfied	28	33	32	28
Dissatisfied	66	62	62	66
Don't know	6	5	6	6

Do you think Mr Steel is or is not proving a good leader of the Liberal Party?

Is	64	64	56	61
Is not	17	20	21	18
Don't know	19	16	23	21

This latest survey was based on a nationally representative quota sample of 981 electors in more than 100 districts between 11 and 16 November. The "don't knows" excluded from Gallup's normal voting question amounted to 9 percent.

CSO: 3120/17

COMMENTS ON WALDHEIM'S INITIATIVE REPORTED

Nicosia I SIMERINI in Greek 18 Oct 81 pp 1, 3

[Article by Al. Konstantinidis: "Pro and Con: Waldheim's Initiative and Mr Kyprianou"]

[Text] Mr Rolandis must distinguish his position.

Even though talks began a few weeks ago on the Waldheim initiative, the people have not been officially and responsibly informed on this new development in attempts made to continue the negotiating process.

The idea for the Waldheim initiative began with the determination, following the submission of proposals by the Turks and later of our own proposals, that there was no common point in the position of the two sides and that the negotiations had essentially led to an impasse. The only way to overcome the interruption of the intercommunal talks at this point would have been the personal intervention of the UN secretary general with, of course, the consent of the interested parties. Mr Waldheim was sounded out in connection with this possibility and he expressed his willingness to undertake such an initiative with the presupposition that the two sides would be ready to accept it.

Within this framework and once the two sides had accepted the Waldheim idea, the secretary general of the international organization prepared a few ideas which he communicated to the two sides. These ideas would constitute, if in the long run Mr Waldheim would go forward with his initiative, the basis from which the new phase of intercommunal negotiations would go forth. The Waldheim ideas consist in an attempt on the part of the UN secretary general to find some common ground in the midst of the two opposing sides as concerns both the territorial and constitutional questions of the problem.

What our leadership must question is what would happen in case the attempts to push forward the Waldheim initiative fail. In this case, it is evident that the intercommunal negotiations could not continue and consequently sooner or later would be suspended. The Kyprianou government would then try to bring back the Cyprus question before the UN which would in the long run call the two parties once more to a new dialogue. Perhaps attempts would be made for new talks, and these talks may likely resume in the latter part of 1982...

It is therefore evident that both for tactical reasons and for reasons of substance, it is of interest to the Greek side to have the Waldheim initiative move forward

because only in this way could movement be attained on the Cyprus question and perhaps some progress assured. Failure of attempts to push the Waldheim initiatives would result in having our problem lead to a new impasse which no one can foresee how long it would last.

It seems, however, that the Kyprianou government is going to commit the same mistakes which it committed with the West side which offered during the end of 1978 to constitute the basis for the settlement of the problem through negotiations. At that time, our government had itself requested the Americans to prepare a "plan" for the solution of the Cyprus problem. More specifically, as was revealed to me by a State Department official during my last visit to the U.S., President Kyprianou had requested Carter at the time of his meeting with him in the White House that his government prepare a plan for the solution of the Cyprus problem. Carter accepted and sent Nimitz to Cyprus to become informed and to learn close up the position of the two sides. Finally, the "plan" requested by Mr Kyprianou was prepared and submitted to the two sides. It was evident that this framework favored our side and could have constituted the basis for a settlement of the problem through negotiations. If this framework had been accepted 3 years ago, the inhabitants of Famagusta would now in all probability be in their homes and the Cyprus problem would have showed significant progress.

What happened finally is known to all. Although for quite a few weeks the government did not announce anything, after a lot of time had passed we learned that the plan, which Kyprianou himself had requested, had been rejected for reasons having nothing to do with its contents.

Today there is danger that the same thing will happen with the Waldheim initiatives. Although in the beginning the Kyprianou government encouraged Mr Gobbi in this direction, there are now serious signs that Mr Kyprianou is attempting to subvert the Waldheim initiative either for reasons having to do with his personal plans or because he is not in a position to make decisions. It is here, however, that both the political parties and the collaborators of Mr Kyprianou must take an open and timely position so as to prevent a new political fiasco which could have serious consequences on the course of our problem. The AKEJ leadership must take a timely position and condemn the policy which has as its goal the maintenance and perpetuation of the problem.

Minister of Foreign Affairs Rolandis must in this instance proclaim openly his disagreement with the president. He also has the right and duty to do this if he really wants to safeguard the last chance which is being offered to create movement on the Cyprus problem. He himself believes that the Waldheim initiative must be encouraged and must not be permitted to fall into a void because this would cause our problem to regress by 10 years. It appears that Mr Kyprianou has different ideas and is not concerned if our problem were to regress by 10 or 20 years.

Those, however, who are interested, if they are serious, must speak forward. They must speak now before it is too late.

5671

CSO: 4621/24

GREECE'S TIES WITH THE WEST ANALYZED

Athens EPIKAIRA in Greek No 691, 20 Oct-4 Nov 81 pp 17-19

[Text] The victory of the socialists in the 18 October election was swift and sweeping. Less than a mere one-tenth of the votes had been counted when outgoing Premier Georgios Rallis quickly accepted his defeat and withdrew, maybe forever, from the political stage. Within minutes, the main avenues in Athens were flooded with frenzied young people who waved the green flags of the socialist party, while endless rows of automobiles followed honking incessantly. After 50 years of conservative government almost without interruption, Greece had selected a government of clearly leftist orientation. The hour of the long-hoped for change had come.

PASOK, led by Andreas Papandreou, received 48 percent of the votes compared to 25 percent it had received in the previous 1977 election. The defeated party of the New Democracy received only 36 percent compared to 42 percent in 1977. PASOK won 172 out of 300 seats in the Chamber of Deputies, i.e., a clear majority, but just a little less than the three-fifths majority required to change the constitution.

The result offers some reassurance to Greece's friends in the West. On the one hand, PASOK will not have to depend on the support of the pro-Soviet KKE which received 10.9 percent of the votes, gaining only 13 seats. Also, PASOK did not win such a large majority that it would be enabled to "pass" through the legislature certain constitutional changes desired by its more die-hard cadres.

Papandreou does not intend to seek the support of the communists to change the constitution. The conservative president of the republic, Konstandinos Karamanlis, will be in a position, therefore, to hold back the new government by exercising the limited but useful powers given him by the constitution. He can proclaim a referendum, delay the legislative process and, in extreme cases, dissolve the Chamber of Deputies [and call for a new election].

The socialist victory shows that democracy in Greece had deeper roots than many imagined. In 1967 the prospect of a sweeping victory by a left-oriented camp (led by George Papandreou, the father of Andreas Papandreou) caused the colonels' coup. This time there are no signs of unrest in the barracks--in part because leading PASOK cadres have cultivated good relations with certain high-ranking officers, and they have also promised to increase defense expenditures.

Nevertheless, the prospects are not so reassuring. Andreas Papandreu since his previous service in power as minister of coordination during 1964-65 showed that he is more adept at sloganeering than in dealing in a practical manner with various problems. He built his party--which he founded in 1974--without the help of experienced politicians. None of the new ministers has been a member of a previous cabinet. The policy he followed in the last few years was anti-NATO, anti-EEC, autocratic and--even more disturbing--rabidly anti-Turkish. At times he gives the impression that he feels as much sympathy for Colonel Qaddafi in Libya as for the West European social democrats.

The two most disturbing points in the PASOK program are its foreign and economic policies. In the past, Papandreu fervently called for Greece's withdrawal from NATO and EEC. During the electoral campaign he made his views less clear on both questions so that it is difficult to foretell what he is going to do eventually. However, the strong optimism that prevailed in Athens last week that he will not withdraw Greece from the West may prove premature.

A year ago, the Rallis government decided that Greece should again place its military forces under NATO's military command--from which it withdrew in 1974--under the "Rogers Plan." The plan proposes to postpone a decision on the sensitive issue as to whether Greece and Turkey should share in the control of the Aegean under NATO command. Papandreu now intends to submit the Rogers Plan to the Chamber of Deputies and call on its members to reject it. If NATO and the Turks do not agree to give Greece exclusive control over the Aegean, Papandreu will be forced, according to his logic, to again withdraw Greece from NATO. He argues that participation in NATO does not serve Greece since it does not offer it any protection against Greece's number one enemy which, in his view, is Turkey. Papandreu will keep Greece, nevertheless, within the Alliance (because in essence all the Greek weapons are supplied by the NATO countries).

The Reagan Administration is even more disturbed by PASOK's pledge to throw out the four American bases on Greek soil. Certain functions of those bases may be transferred in time to Sicily or Turkey. But the bases acquired added importance in recent months because they became a center for observing the events within and outside Libya. Moreover, the bases in Crete constitute a useful facility for the U.S. Sixth Fleet.

Papandreu has said that he is not going to demand the immediate removal of the bases. Yet, it is likely that he will impose certain disagreeable conditions in the meantime. He wants all American tactical nuclear weapons removed and it is said that he wants to forbid all American employees to travel outside the bases. A few years ago he was urging the previous government to accept a Soviet offer, namely, "the promise not to attack Greece" as a reward for the removal of the American bases.

Even under the best conditions, Greece under Papandreu will likely be an unstable member of the Western military alliance. Papandreu views EEC with equal dislike. Now, however, there are fewer possibilities that he will remove Greece from the European community. He will ask President of the Republic Karamanlis to call for a referendum on the question of Greece's continuing membership in the EEC or withdrawal, but the president has the power to veto such a request and he is

expected to do so. But even if the president of the republic allowed the referendum, the result would favor continuing membership. The latest poll conducted on behalf of EEC in June in all its member-states showed that the majority of Greeks (2:1) favor the induction. This was shown by the result of the Greek election for Greek Euro-deputies. PASOK received 7 percent less than the corresponding percentage it received for the Greek Chamber of Deputies while the two parties which supported EEC membership--the Party of Democratic Socialism /KODISO/ of Giangos Pasmazoglou and the Euro-communist KKE-Interior--received six times and three times, respectively, as many votes for the European Parliament compared to the Greek /sic/.

So it is almost certain that Greece will stay in the EEC. Papandreou, however, intends to imitate Britain's behavior in Brussels. It is unlikely that he will ask for a formal renegotiation of the agreement between Greece and EEC but he will try to reduce its contribution to the communal budget and cut down the transitional period for Greek agriculture (and he is to some extent right: in their haste to bring Greece into the EEC, the negotiators of the previous Greek government did not bargain very vigorously).

The major conflict between EEC and the new Greek government will refer to PASOK's interventionist economic policy which will violate all the rules of EEC. PASOK wants to subsidize and expand such industries as steel mills, textiles and the shipyards whose productive capacity EEC wants to reduce. Further, PASOK most likely will impose a cluster of measures to control prices, imports and capital movements. The other EEC partners will not like that.

Greece was not hit as hard by the world recession as most other countries in Europe. But the country's public economy is in shambles. The fiscal deficit is approximately 14 percent of the Gross National Product and inflation is around 25 percent. PASOK's remedy is a mixture of "socialization" of a long list of the most significant industries (i.e., nationalization with a provision for the participation of workers and consumers in decision-making), together with a cost-of-living adjustment of wages and salaries for those working in the industrial sector and higher prices for farm products and higher defense expenditures. This combination appears doomed to push inflation even higher. Papandreou has had an academic career as an economist, but it seems unlikely that he will achieve his promise to stabilize the economy.

The new government wants to introduce certain changes which Greece desperately needs, such as the establishing of a National Health Organization. The absence of good medical care has made illness a veritable nightmare for most Greeks. Even the bourgeoisie has to pay exorbitant bills to doctors (who seldom pay any taxes). PASOK has also promised to take harsher measures to control air pollution which is destroying the Parthenon and suffocating the Athenians.

The party's promises to reform the country's antiquated bureaucracy played a vital role in its electoral victory. The incompetence and corruption of civil servants has caused tremendous indignation, even in the provinces. In the cities, the favoritism shown by the previous government in hiring civil servants convinced many middle-class voters to support PASOK. Papandreou's group has the intention of decentralizing the governmental services and reducing the powers of the nomarchs. But it would certainly be surprising if the new PASOK people reduce party favoritism in hiring people into the civil service.

END OF

FICHE

DATE FILMED

7 Dec 1981